



INNOVATIVE AND RESPONSIBLE



2014 Annual Report
Thai Plastic and Chemicals Plc.

Contents

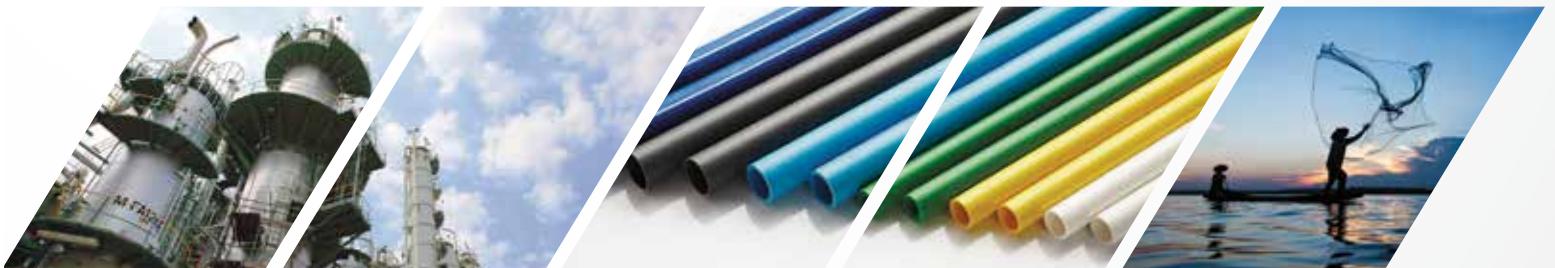
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PVC Innovation and Social Responsibility

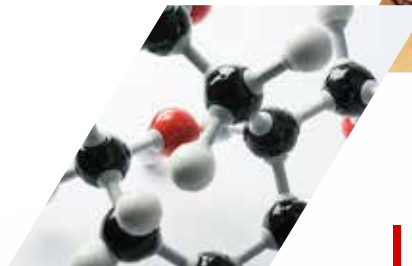
TPC strives to produce high value added innovative products and deliver high quality service, while engaging in social responsibility to enhance the quality of life among consumers and promote a sustainable living lifestyle to society.



Strong Culture of Cooperation

The collaboration between TPC and SCG, as well as other associated business networks, is regarded as a stepping stone and expansion of knowledge for further development of innovative products and services. Combining individual talents from a diverse range of agencies, TPC fosters a strong cooperative corporate culture, pushing the PVC industry forward and meeting customers' needs.





Innovation and Service

TPC invests in research and development on PVC innovation and focuses on high value added PVC products. Some of these products include weather-resistant and high-speed extrusion cables, ultra-high flame retardant cables specially made for petrochemical industries as well as Wood Plastic Composite (WPC) deck.

In addition, Windsor provides the fastest and most convenient installation of doors and windows to ensure safety for the customers.



Eco-friendly Products and Manufacturing Processes

TPC has developed green and sustainable eco-products such as energy-saving wall lining system and low smoke zero halogen cables. TPC has also improved the performance of its manufacturing process by reducing energy consumption and emissions of the greenhouse gases caused by the process.

A Sense of Social Responsibility

TPC has been conducting business with regard to its impact on communities, society and the environment. It has launched many projects including banana cultivation in 33 communities to promote economic growth, waste management and environmental protection knowledge transfer in Islamic community, as well as natural conservation and restoration at Son - Krasib beach that have been continuing on many years.



5-Years Overall Operations and Financial Position of the Company and its Subsidiaries

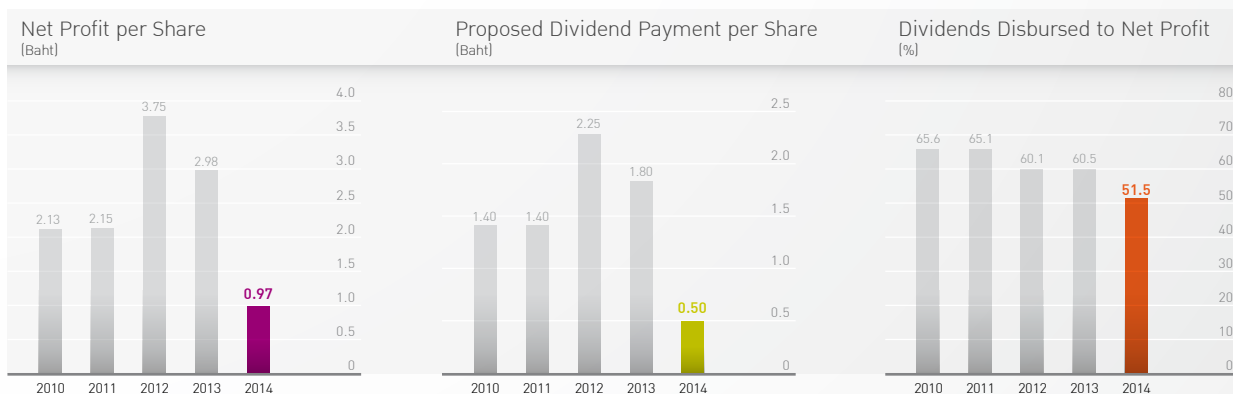
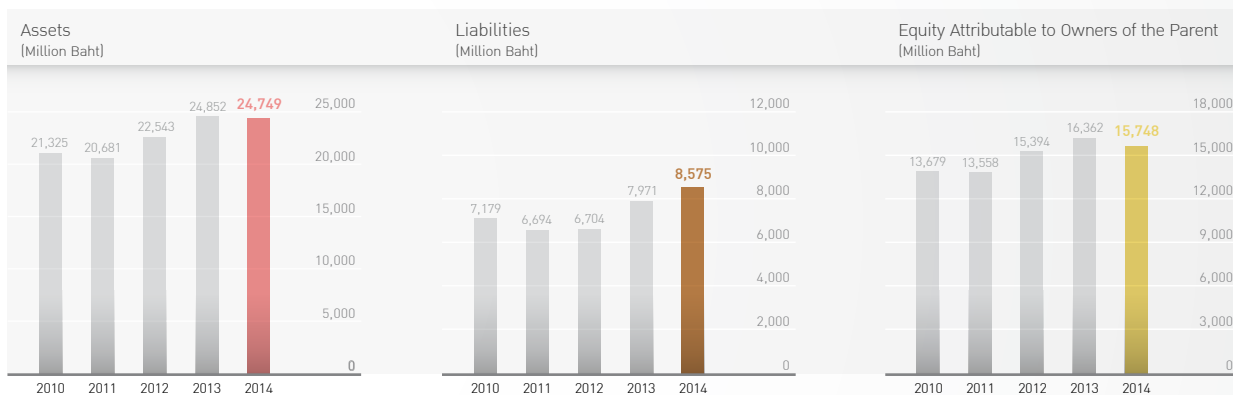
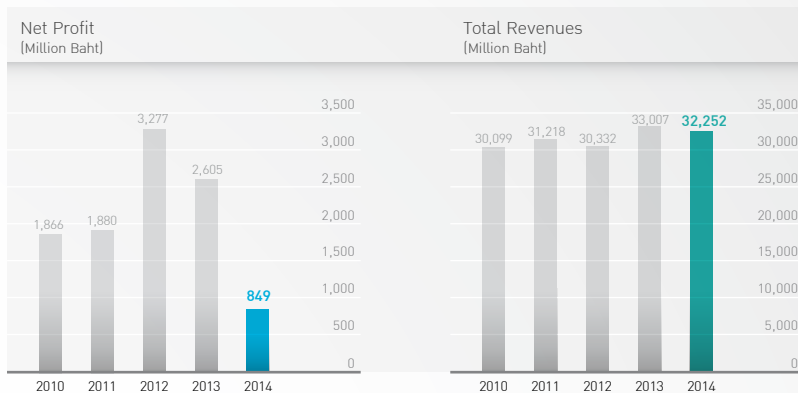
	2014	2013	2012	2011	2010
Statement of Income (Million Baht)					
Total Revenue	32,252	33,007	30,332	31,218	30,099
Cost of Sale of Goods and Other Expenses	31,374	30,314	26,963	29,323	28,226
Net Profit	849	2,605	3,277	1,880	1,866
EBITDA	2,247	3,867	4,909	3,579	3,398
Statements of Financial Position (Million Baht)					
Assets	24,749	24,852	22,543	20,681	21,325
Liabilities	8,575	7,971	6,704	6,694	7,179
Equity Attributable to Owners of the Parent	15,748	16,362	15,394	13,558	13,679
Financial Ratios					
Number of Share Issued (Million)	875	875	875	875	875
Book Value per Share (Baht)	18.00	18.70	17.59	15.49	15.63
Net Profit per Share (Baht)	0.97	2.98	3.75	2.15	2.13
Proposed Dividend Payment per Share (Baht)	0.50	1.80	2.25	1.40	1.40
Dividends Disbursed to Net Profit (%)	51.5	60.5	60.1	65.1	65.6
Net Profit to Total Revenue (%)	2.6	7.9	10.8	6.0	6.2
Return on Assets (%)	3.4	10.5	14.5	9.1	8.8
Return on Equity (%)	5.4	15.9	21.3	13.9	13.6

Important Financial Information

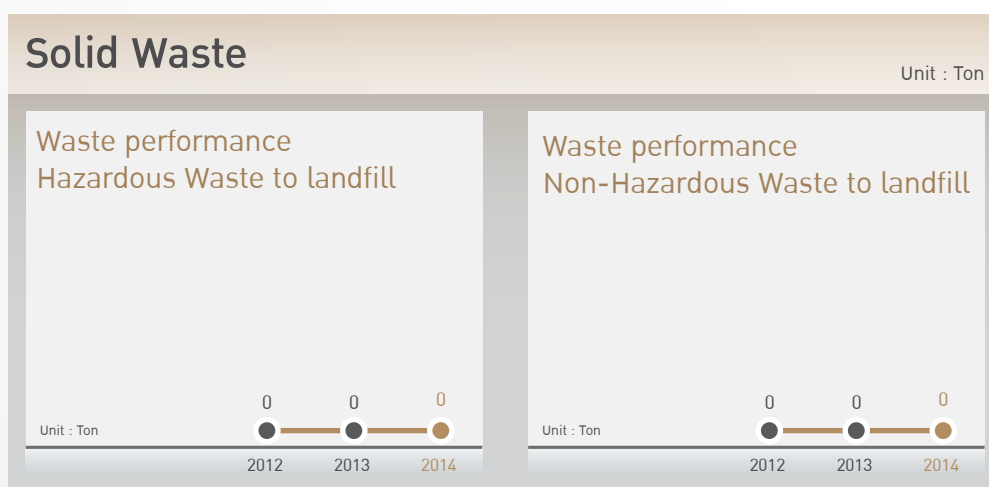
Thai Plastic and Chemicals Public Company
Limited and its subsidiaries



Operating Results



Environmental Quality Statistics from the Production Process



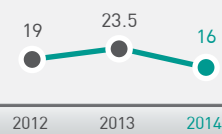
Water

Unit : mg/l

SS

Thai Standard 50

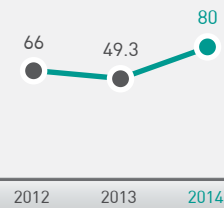
EIA 50



COD

Thai Standard 120

EIA 120



BOD

Thai Standard 20

EIA 20



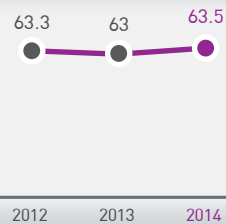
Noise

Unit : dB (A)

Frence Line

Thai Standard 70

EIA 70





Cholanat Yanaranop
Chairman

Suchai Asvathavornvanit
Managing Director

Message from the Board of Directors

2014 was a year of slow economic growth due to economic instability of several countries in Europe and the economic slowdown in China. Meanwhile, economic growth in Thailand slowed down during the first half year and recovered in the third quarter after the political situation began to improve. At the same time, the PVC market in Asia had engaged in intense price competition all across the region after foreign producers with low cost acetylene based manufacturing process substantially increased its export of PVC.

Thai Plastic and Chemicals Public Company Limited and its subsidiaries generated a total revenue of 32,252 million Baht in 2014 with an operating profit of 1,041 million Baht and a net profit of 849 million Baht, an approximately 67 percent decrease from that of 2013. This is because the price gap between PVC and main raw materials has experienced a sharp decline due mainly to the rising prices of EDC, a tight supply of VCM in Asia and a decline in PVC price all across the region as a result of price competition of acetylene based PVC. As for 2015, the price difference between PVC and main raw materials in the Asian market tends to remain low from ongoing economic slowdown in China, while the prices of PVC and main raw materials are likely to be affected by oil prices, which are also expected to remain low all through the beginning of 2015, in the global market.

In preparation for the increasing competition in the market and to maintain the vinyl business leadership in ASEAN as it enters the era of trade liberalization within the ASEAN Economic Community (AEC), the Company strives to develop and enhance its competitiveness in all aspects by applying two main strategies.

1. Increase the proportion of high value added Products (HVA). The sales revenue of HVA has increased from 34% in 2013 to 40% in 2014 of the total sales. The Company established a cooperation network with SCG in planning and allocating personnel as well as research and development resources for further development of HVA such as PVC resin for the production of complex rain gutters and large pipe fittings, PVC resin for the production of foam layer in synthetic leathers which provide a soft-feel effect and PVC compound for the special type of wire jacketing that are weather resistant and production efficient. The Company also introduced unique service innovation to meet the customers' needs, including "Windsor Fast Renew", utilizing a new technology developed and owned by Windsor, which enables window and door replacement within one day without affecting the residence owner's daily routines. The service reinforces Windsor's position as the top quality brand in vinyl construction and decoration materials.

2. Maintain business leadership in ASEAN by investing in upstream and downstream to add value to the business. For upstream business, the Company has made necessary arrangements to support the expansion of production capacity of VCM manufacturing unit upon recent approval by the Supreme Administrative Court to resume the project execution last July. The project will be completed in the second quarter of the year 2015 and will play an important role in raw material costs reduction by less dependency on VCM from the market. For downstream business, the Company remains committed to expanding its investments with focus on PVC pipe and fitting business in ASEAN countries to serve fast-growing regional demand. The build-up of business partnership is emphasized in order to develop competitive advantages and achieve together a sustainable business growth. This year, the integrated petrochemical project in southern Vietnam in which the Company jointly invested has made a progress regarding the expropriation of land to be used for project's location, the negotiation of loan agreements and construction contracts bidding.

The Company is also focusing on the continuous improvement of the manufacturing process with regard to product quality, customer safety and the reduction of environmental impact as fundamental goals, along with reducing energy consumption and improving production efficiency. For research and development in cooperation with SCG, the Company conducted 57 projects to improve production efficiency as well as energy and resources conservation, which has reduced the production costs by a total of 429 million Baht. In terms of marketing and sales, the Company has managed to expand its sales network in international markets thanks to SCG's extensive sales network. This will benefit the Company in alleviating the effects of regional competition that are likely to intensify in the future.

We would like to thank our shareholders, partners, customers, employees, domestic and foreign financial institutions, and other stakeholders who have always made contributions to the Company. The Board of Directors will oversee the Company's operations with a focus on ethics and corporate governance, maximizing the benefits to all parties and stakeholders. This will help the Company to develop the capacity to sustain steady growth and maintain its leadership in the vinyl business across the ASEAN region.

Board of Directors

[As of January 27, 2015]



**Mr. Aviruth
Wongbuddhapitak**
Director

**Mr. Dhep
Vongvanich**
Director and
Chairman of the
Nomination and
Remuneration
Committee

**Mr. Cholanat
Yanaranop**
Chairman

**Mr. Roongrote
Rangsiyopash**
Director



**Mr. Apiorn
Pasawat**

Independent Director
and Member of the
Audit Committee

**Mr. Somchai
Kongsala**

Independent Director,
Member of the Audit
Committee and the
Nomination and
Remuneration
Committee

**Mr. Prawit
Ninsuvannakul**

Independent Director
and Chairman of
the Audit Committee

**Mr. Somchai
Wangwattanapanich**

Director and
the Nomination
and Remuneration
Committee

**Mr. Suchai
Asvathavornvanit**
Director and
Managing Director

The Executives and Corporate Manager in Accounting



Mr. Suchai Asvathavornvanit
Director
and Managing Director



Mr. Somchai Thanomjitvisutti
PVC Production Division Manager



Mr. Santi Udomnitirat
VCM Production Division Manager



Mr. Prakob Jindamaneepon
Compound Plant Manager



Ms. Poranee Mekayarajjanonh
Business Development
and Supply Chain Division Manager



Mrs. Voranun Sodanin
Chief Accounting Officer



State of the Industry and Operational Results

The PVC Industry and Market

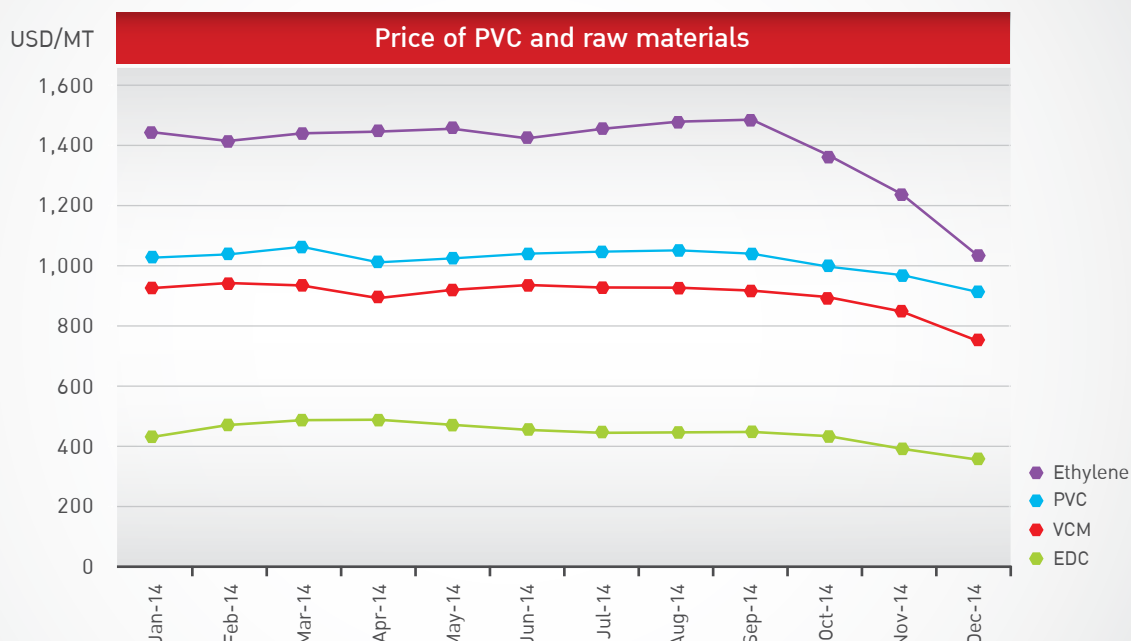
In 2014, the global demand growth rate of PVC decreased compared to the previous year. The growth rate of demand was around 3% as the economies of USA and Europe were slowly recovering. Therefore, the consumption and investment in the private sector, specifically in the real estate business, improved. However, lending controlling measures adopted by the Chinese Government in a bid to improve its economic structure and focus on sustainable growth, coupled with the continually decreasing price of real estate adversely affected business expansion and operation in China as well as the demand of PVC in many fields including the construction work.

Thailand's PVC market contracted by 2% compared to the previous year, as the political situation in the beginning of the year affected payment and investment in the Government sector as well as construction of both Government and private sector. In addition, exports of

finished goods was affected by the slowdown of the demand in the regional market, currency exchange rates fluctuation and increased export products from China.

The growth of PVC in Vietnam increased by approximately 6%, due to its Government's efforts to control and stabilize currency fluctuation. In addition, Governmental efforts to attract foreign investors by changing the rules regarding the establishment of trading companies and introducing an economy stimulating policy helped to increase PVC demand.

The growth of the PVC market in Indonesia was around 4%, because of its financial tightening policy and fixed interest rate at 7.5% implemented by its Government to control inflation rate and prevent the weakening of the Rupiah. The efforts to lessen finance imbalance and foreign loan by the Government also resulted in limited investment stimulating measures for public utilities.



Prices of PVC and Raw Materials

PVC

The average price of PVC in Asia in 2014 increased to USD 1,017 per ton, a 1% increase compared to the previous year. Even though the demand in Asia did not increase much because of the economic slowdown in China, the tight supply situation of Ethylene in many countries such as Japan and Taiwan was still the factor that drove up the price of Ethylene. However, in the fourth quarter, following the world's decrease in crude oil prices, the price of Ethylene decreased and as a result the PVC price also decreased.

VCM

The average price of VCM in 2014 was USD 905 per ton, a 4% increase compared to the previous year, with the main reason being the increase in average price of EDC and Ethylene. However, the increase in VCM price has been suppressed by the slightly increased PVC price, affected by competition from the major low-cost manufacturers in the region, amid the continuously tight VCM market.

EDC

The average price of EDC in 2014 was USD 442 per ton, a 22% increase compared with the previous year due to tight supply of EDC resulting from production problems of major manufacturers in the Middle East, delayed commercial production of EDC plants in the USA as well as an increase in average price of Ethylene and decrease in price of co-product, caustic soda. However, in the second half of the year, the supply of EDC had stabilized and Ethylene prices had also decreased in the fourth quarter, hence leading to a decrease in EDC prices.

Ethylene

The price of Ethylene remained high above USD 1,400 per ton since the fourth quarter of 2013 till the third quarter of 2014, due to its tight supply, which was caused by the manufacturers in the region limiting the amount of Ethylene produced. Furthermore in 2014, there was major maintenance of large oil refinery and olefin plants in Asia which further restricted the supply of Ethylene. However in the fourth quarter, the price of Naphtha, feedstock of Ethylene, plummeted following the drop in crude oil price in the world market and the slowdown of Asian economic situation. This led to the decrease in price of Ethylene from around USD 1,500 per ton in October to around USD 1,000 per ton in December. The average price in 2014 was USD 1,395 per ton, a 3% increase compared with the previous year.



Significant Operational Performance in 2014

Marketing and Distribution

In 2014, the Company remained committed to improving and developing services in order to meet the customers' needs. The Company also continues to search for and develop high value added (HVA) products and work together with customers in various fields such as technical, manufacturing and marketing in order to develop new products and adjust the product formulation to satisfy the customers' needs in all aspects. In addition, the services, supply chain management system and inventory management systems have been improved to achieve maximum satisfaction while surveys for customer requirements were carried out in order to support and promote the expansion of business opportunities within AEC in 2015.

For the export market, the Company remained focused on ASEAN region and will increase its exports to other regions to reduce the risk of relying on a single market. The Company still collaborates with its subsidiaries located overseas to enhance the performance and the distribution of products. This has also prepared the company and improved its competitiveness for the free trade liberalization within AEC in 2015.

Research & Development

In 2014, the Company's costs and investments in research and development amounted to 114 million Baht in total. The Company has increased its investment in equipment and machines for research and development to enhance the development of new PVC grades and has renovated its research laboratories for PVC synthesis to meet international standards.

The Company aims to support research and development continuously to provide customers with products and services that will raise their quality of life in terms of health, safety, comfort, modernity and environment. For example;

Development of PVC resin for the production of foam layer in artificial leather which provides a soft-feel effect. It also has the ability to support a heavy load with fast recovery which makes it suitable for manufacturing car seats, sofas and household furniture.

The Company also developed PVC resin used for the production of complex rain gutters and large pipe fittings.

There has been the development of PVC Compound for new products with high value added for both domestic and overseas. For example, special types of PVC cable shields have been developed to meet customers' requirements. This includes weather-resistant PVC cable shields that are used in the formation of highly efficient cables suitable for indoor use, low smoke zero halogen cable shields that are used in electric trains to ensure high safety and lastly, special flame retardant cable shields for petrochemical industries. The PVC Compound for Seal Liner has also been developed to support sales promotions using crown cap seal printing in the beverage industry as well as eco-friendly foam cornice for construction industry.

Business Development

To achieve sustainable growth, the Company has focused on the expansion of downstream industries in the region to cover the increasing market demand. The Company will continue to maintain its ordinary shares in Tien Phong Plastic Joint Stock Company (NTP) and Binh Minh Plastics Joint Stock Company (BMP), ones of the largest producers of PVC pipe and fittings in Vietnam. The Company also plans to increase its investments in other ASEAN countries, especially in the pipe and fittings industry, where it hopes to focus on expanding sales channels and promoting standards, quality of the products and corporate governance.

For the Company's joint venture in Vietnam's first comprehensive petrochemicals complex together with Vina SCG Chemicals Company Limited and the other partners from Vietnam and Qatar. In 2014, the expropriation of lands possessed by the project is in progress while financing contract and construction bids are on initial process.

In addition, NawaPlastic Industries Company Limited, producer of vinyl doors and windows under the brand Windsor has developed the "WINDSOR Fast Renew", an innovative service for home owners who need to have their doors and windows repaired and renovated within one day. With Fast Frame

Technology that is developed and owned by the Company, the service saves time in the installation, as well as increase the safety of the lives and properties of the residence owners. The number of house owners who want to replace doors and windows is 15 times larger than the number of house owners who want to build a new house.

Production

Production Process Improvement

TPC realized the importance of sustainable production process improvement, safety awareness, and environmental friendliness and has improved the PVC and VCM production processes to achieve maximum efficiency as it works towards becoming a World Class PVC Manufacturer. Total Productive Maintenance (TPM) activities have been implemented with the target to achieve TPM Advanced Special Award by 2016.

The VCM production process focuses on the maximum efficiency and safety by improving the production processes to ensure that the maintenance turnaround interval for the second VCM plant is extended from one year to two years, which increases the VCM production and saves the maintenance costs, as well as energy consumption.

For PVC production, the Just in Time production strategy has been applied to the process to increase efficiency and bring about low-cost production. Being focused on continuous improvement to reduce losses throughout the production line, the Company had implemented Value Stream Mapping (VSM) to track down the causes of losses and manage information flow efficiently. This allows it to respond quickly to changing circumstances and achieve maximum customer satisfaction.

Nawaplastic Industries Company Limited has continuously applied the Lean Manufacturing System for many years, lowering the production cost and increasing profits to the organization. As a result, it won the first prize in the Diamond level in Thailand Lean Award 2014 and became the first company in Thailand to clinch the award. Moreover, the Company agreed to invest in improving the quality of manufacturing by replacing old machinery with modern ones, as well as designing automatic machines that can operate in the high-risk jobs instead of human workers.

Environmental, Occupational Health and Safety Management

The Company is determined to become an Eco Factory, which is “an industrial factory that operates an environmental-friendly business for sustainable development; and focuses

on production development and improvement, as well as ongoing, sustainable environmental management on the basis of social responsibility both inside and outside the organization through the supply chains.” In addition, the Company always applies the environmental management system or ISO 14001 as well as the occupational health and safety management system or TIS 18001 to raise operation standard levels. In 2014, the Company received the Green Industry certificate of the third level (GI-3) from the Ministry of Industry. The Company plans to upgrade into the fourth level Green Industry certificate (GI-4) following the creation of the Green Culture in the organization.

With regards to pollutant discharge reduction the Company has inspected and controlled the leak of Volatile Organic Compounds (VOCs) according to the regulations of Department of Industrial Works and plans to constantly reduce pollutant discharge. The Company has also made a list of VOCs and upgrade pumps to the model with double leakage protection. And in 2015, the Company will install a new VOC-eliminating incinerator to enhance its pollutant treating ability in the normal and emergency situations.

To achieve maximum safety, the Company aims to decrease the number of accidents to zero and to push its safety standards to the same level as that of the world’s leading companies. To do so, it plans to use the Process Safety Management (PSM) with experts from DuPont USA as consultants for safety management in production processes to avoid any accident and damage to machinery or the environment.

With regards to energy management, the Company has conducted numerous energy-saving activities which aim to decrease energy consumption every year. In 2014, the Company managed to reduce its energy usage with the implementation of many energy-saving projects such as reconfiguration of the process settings to lower the usage of steam and electricity. As a result, the Company received the ISO 50001 for its energy management system. Apart from that, the Company also created a greenhouse gas reduction project, by increasing production efficiency and installing additional cooling towers. The Company received two certificates: Carbon Reduction Label from Thai Environment Institution and SCG eco value from SCG for its efforts in greenhouse gas reduction.

Human Resources Management

Since the human resources management is one of the organization’s management cores. Therefore, in this era of

competition where the business environments change quickly, the Company focuses on planning the manpower, recruitment and selection, development and retention in order to support the missions of the organization to achieve its goals efficiently and effectively.

- **Manpower Planning:** The Company has created long-term manpower planning to prepare the staffs both “quantitatively” - having an adequate amount of people - and “qualitatively” - having proper abilities, working skills and attitudes. In addition, the Company has initiated a Succession Plan to prepare itself for the growth of its business in the future.
- **Recruitment and Selection:** The Company has developed interview processes to be able to select good people with competence, high potential, positive attitudes and characteristics that match the organization’s needs. Its new interview processes creates additional dimensions in filtering applicants and improving the capacities of the interviewers.
- **Employee Development:** The Company is determined to advance the employees’ learning level, both in the Hard Side and the Soft Side, through various processes and activities. The Company plans to improve learning courses by focusing on workshops. The Company also plans to educate employees on applying technologies in the workplace, and support innovation activities as well as create more informal learning stages by improving COPs (Community of Practices) in the department. These activities contribute to a sustainable learning system and the Company hopes to be developed into a “Learning Organization”.
- **Employee Retention:** The Company trusts and recognizes the value of its employees and therefore has a policy for taking care of its employees in every aspect such as compensation and benefits, occupational growth, safe working environment, and good life quality. We conduct annual surveys to find out about the employees’ satisfaction in the workplace. This is done in hopes to improve operations and employee engagement. In addition, the Company compares its operations with the external organizations to ensure that its treatment is comparable to the other leading companies in the same industry. It also hosts regular activities for employees to promote teamwork and foster a close relationship between employees. We treat our staffs as family members with events like teamwork activity and Family Day.

The Company concentrates on developing and fostering its staffs and improving its systems in the Open & Challenge working culture, while adhering strictly to the SCG Principles in its main operation methods. The principles include: adherence to fairness, dedication to excellence, belief in the value of the individual, and concern for social responsibility.

Management and Organization Development

To achieve excellence and growing competitive adaptiveness of the organization, the Company applies DuPont USA’s IBE (Integrated Business Excellence) system to run its production process adjustments and activities in the supply chain. It also sets up a team to study and analyze its supply, demand, production cost, product development and working processes for consistency. That results in accurate business decisions that are truly beneficial to the organization’s strategy formulation. Also, the PMS (Performance Management System) is used to effectively manage the policy and operations that follow the strategies. The system helps every department to achieve consistent operations and reach the planned goals.

Finance

Even though the Company’s operational results lessen compared to those of last year’s, our financial strength still remains sturdy. In 2014, we continue with the financial risk management policy to track the risk in currency fluctuations using a forward foreign currencies exchange. We also closely follow up on our financial liquidity status to prevent a lack of liquidity and also a constant search for the source of funds to suitably support its business.



Description and Analysis of Financial Condition and Results of Operations

Sales Revenue and Capital

The Company and its subsidiaries gained total revenue of 31,870 million Baht from sales and services, a 502 million Baht or 2 percent decrease from last year. The main reason for this decrease was the decline in sales volume of PVC and its related businesses. 67 percent of sales revenue was gained from PVC business. 30 percent were from PVC related businesses and another 3 percent were from other income. For the proportion of sales and service revenue, 81 percent were from the sales of the companies in Thailand. The other 19 percent were from overseas subsidiaries.

The Company had 28,548 million Baht of total cost of sales, a 1,135 million Baht or 4 percent increase from last year. It was due to the rise of raw material prices.

According to the abovementioned sales revenue and cost of sales the overall gross profit margin decreased from last year to 1,636 million or 33 percent, mainly due to the lower gap between the selling prices and the main raw materials price.

Other Revenue

The Company and its subsidiaries gained a total of 114 million Baht from other income, a 161 million Baht or 58 percent decrease from last year. It was mainly due to the declined profits on foreign exchanges.

Other Expenses

The Company and its subsidiaries had other expenses of 2,705 million Baht in total, a 179 million Baht or 7 percent increase from last year. It was mainly due to the higher loss on foreign exchanges.

Share of Profit from Investments in Associates and Jointly Controlled Entities

The Company's share of net income from investments in associates and jointly controlled entities, including 9 companies, was 268 million Baht. It was taken from the profit of PVC business and other PVC related businesses in the proportion of 11 percent and 89 percent, respectively.

Operating Results

The 2014 net profit of the Company and its subsidiaries was 849 million Baht, a 1,756 million Baht or 67 percent decrease from last year, as a result of the lower gap between the selling price and the main raw materials price.

Return to Shareholders

According to the 2014 financial position and results of operations, the Board of Directors has resolved to propose to the Annual General Meeting of Shareholders to approve a dividend payment for the year 2014 at the rate of 0.50 Baht per share, which was 52 percent of net income. The Company has paid an interim dividend to shareholders at the rate of 0.15 Baht per share, with the remaining dividend to be paid in installment final payment at the rate of 0.35 Baht per share.

Assets

As of 31 December 2014, the Company and its subsidiaries have total assets of 24,749 million Baht, a 103 million Baht decrease from last year. Cash and bank deposits decreased from last year by 1,420 million Baht due to the dividend payment to Shareholders.

The trade and other receivables decreased by 114 million Baht, mainly due to a decline of sales prices compared to the fourth quarter of 2014.

For trade receivables of the Company and its subsidiaries at the end of 2013, 4,058 million Baht in value and consist of about 1.5 percent of outstanding receivables for more than 12 months, a decrease from last year which was at 1.9 percent. The Company has recorded an allowance for doubtful accounts of 50 million Baht, which is considered sufficient. For credit granting policy, the Company will operate in the form of a group credit committee, which will consider granting credit based on client's ability to settle, financial status, authorized capital, assets and sales volume.

Inventory of the Company and its Subsidiaries increased to 467 million Baht, mainly due to the increasing in volume of raw materials.

Other current assets increased by 103 million Baht, mainly due to the increased amount of the Revenue Department's debtors from deferred VAT refund.

For-sale investment decreased from last year by 235 million Baht due to the change in fair value of the investment market. Investment in associates and jointly controlled entities increased from the previous year by 580 million Baht, mainly due to a 562 million Baht payment for new shares in Long Son Petrochemicals Co., Ltd.

Property, plant and equipment increased to 446 million Baht, mainly due to the increased asset acquisition of the Company and its subsidiaries by about 1,313 million Baht, for PVC machinery replacement and improvement, as well as investments to expand production capacity in relation to PVC business. The Company and its subsidiary have adjusted the annual depreciation at an amount of 1,060 million Baht.

Other non-current assets increased by 75 million Baht, mostly due to the higher system development expenses during 2014.

Liquidity

As of 31 December 2014, the working capital ratio of the Company and its subsidiaries is 1.17. In 2014, the Company and its subsidiaries gained net cash decrease of 1,413 million Baht, a 2,061 million Baht increase from previous year. The transactions of cash flows are detailed in the following activities.

The cash flow received from operating activities was 317 million Baht, a 3,816 million Baht decrease, mainly by the lower profit and debt from operations in the year 2014.

For investment, 2,050 million Baht of net cash was spent, a 1,046 million Baht increase, mainly due to machinery and equipment investments and the payment for new shares in Long Son Petrochemicals Co., Ltd. during the year 2014.

For financing activities, 318 million Baht was spent, a 2,802 million Baht increase from the previous year due to the rise of short-term loans and dividends payment during the year.

Source of Fund

As of 31 December 2014, debt rate of the Company and its subsidiaries to equity shareholders was 0.53 times, increasing from the previous year, which was 0.47 time. The ratio of long-term debt to total liabilities of this year was 10 percent, an 8 percent decrease from last year. It was mainly due to the transfer of long-term loans which were due within one year of its subsidiaries to current liabilities during 2014.

Debt

The Company and its subsidiaries had total liabilities of 8,575 million Baht, a 604 million Baht increase from the previous year. The trade payables and other payables decreased by 802 million Baht. It was mainly caused by the decreased creditors of raw material. Moreover, the payment due date at the end of 2013 fell on a holiday. Therefore, the overall balance of trade payables increased from the end of previous year.

Short-term loans decreased by 2,556 million Baht. Long-term loans and liabilities under finance leases decreased due to repayment in the amount of 904 million Baht.

Other current liabilities decreased by 149 million Baht, mainly due to the lower income tax payable from lower operation profits.

Other long-term liabilities decreased by 97 million Baht, mainly due to the lower deferred tax liabilities.

In 2015, it is expected that the price difference of PVC and main raw material in Asian markets will still be low because of continuous economic slowdown in China. Prices of PVC and main raw materials will change depending on the oil price situation in the World market that is expected to be in the low level throughout the beginning of 2015. Thailand's PVC demand in 2015 is expected to increase from economic recovery.

Shareholders' Equity

The Company and its subsidiaries have shareholders' equity of 16,175 million Baht in total, a 707 million Baht decrease from the previous year, as a result of net income in 2014 of 849 million Baht. The difference from the change in fair value of investments increased by 188 million Baht. The differences in translation of financial statements of the subsidiary companies, controlled entities, and jointly controlled entities abroad decreased by 95 million Baht due to the depreciation of the Baht. Non-controlling equity decreased by 93 million Baht. In 2014, the Company's annual dividend for 2013 and interim dividend for 2014 were 1,181 million Baht in total.

Factors or Situation that may affect the Future Financial Status or Operation

According to 2014 operation result, the Company and its subsidiaries gained profits of 1,041 million Baht from operation and net profits of 849 million Baht, a 67% decrease from 2013, because of the price difference in PVC and main raw materials that significantly decreased with the main reason of increased price of EDC raw materials, tight VCM supply in Asia and decreased PVC price in Asia from price competition, as a result of an increase in export of the low-cost Acetylene – based PVC by foreign manufacturers while PVC demand in the World market slowed down because of economic instability of many countries in Europe and China's economic slowdown.

Financial Statements



Report on the Board of Directors' Responsibility for the Financial Reports

The Board of Directors of Thai Plastic and Chemicals Public Company Limited has arranged for the production of financial statements that indicate the Company's financial status and operational results for 2014, in keeping with Company regulations and the Limited Public Company Act of 1992.

The Board of Directors is well aware of the duties of directors of registered companies and their responsibility for producing financial statements of the Companies and its subsidiaries as well as other financial data present in the 2014 annual report. The aforesaid financial statements were prepared in accordance with principles of accounting generally accepted in Thailand. After the appropriate accounting policies were chosen, they were adhered to and implemented on a consistent basis, accompanied by all due circumspection, care, and reasoned judgment. Sufficient and transparent disclosure of such information was made in the notes to the financial statements for the benefit of shareholders and concerned members of the public.

The Board of Directors has established an effective system of internal controls, with standards sufficiently rigorous to provide assurance that accounting entries are accurate and complete enough to protect corporate assets and prevent fraud and other significant irregularities.

The Board of Directors has appointed the Audit Committee, which consists of independent directors who are not executives, to direct and supervise the quality of financial reports and ensure the efficiency of the system of internal controls. The Audit Committee must also monitor, evaluate, comment upon, and report to the Board of Directors concerning the findings of the independent auditor and the Office of Internal Audits. The purpose in this is to ensure that the Company possesses a good risk management system, suitable and effective corporate governance, and adequate internal controls, and is compliant with the relevant laws and regulations. The opinion of the Audit Committee regarding the above matters is found in the Report of the Audit Committee, which is included in this annual report as well.

The Board of Directors considers the Company's system of internal controls to be, overall, in good condition and capable of providing assurance that the financial statements of the Company and its subsidiaries for the year ending on December 31, 2014, are true and fair and reliable according to the Financial Reporting Standards and Guidelines promulgated by the Federation of Accounting Professions and compliant with the relevant legislation and regulations.



Cholanat Yanaranop
Chairman



Suchai Asvathavornvanit
Managing Director

Report of the Audit Committee

The Audit Committee of Thai Plastic and Chemicals Plc. consists of three independent directors, none of whom are TPC corporate executives, employees, or consultants. The Audit Committee is composed of Dr. Prawit Ninsuvannakul as the Chairman, Dr. Somchai Kongsala and Mr. Apiporn Pasawat.

The Audit Committee implemented the duties and accepted the responsibilities assigned by the Board of Directors, according to the charter of the Audit Committee. This year, the Company has reviewed and revised the charter of the Audit Committee in accordance with the recommendations of the Securities and Exchange Commission (SEC) in the “Audit Committee Guidelines”.

In May 2013, COSO (The Committee of Sponsoring Organizations of the Treadway Commission) amended the Internal Control Framework: COSO 2013 to match the fast developing and changing business environment. The Company applied the COSO 2013 to its assessment or revision of the sufficiency of the internal control by arranging for an assessment or revision to be implemented at least once a year by the Audit Committee and the Board of Directors, for the exchange of opinions, to achieve common understanding and to specify the proper practices for the Company.

In 2014, the Audit Committee revised and amended the Audit Committee Charter and the Audit Committee Assessment to cover the duties and responsibilities of the Audit Committee for the Company's transparent and verifiable operations, good internal control and proper risk management system as well as correct, adequate and trustworthy reporting. Moreover, the Committee also considered the anti-corruption policy by setting the responsibility, practices and the terms of possible risk prevention.

This year, the Audit Committee met up for eight times. Meetings were also held with the corporate executives, the Auditor and the Internal Auditor whenever appropriate. The main activities may be summarized as follows:

1. Review and approve the Company's financial statements and the Company's and the subsidiaries' consolidated quarterly financial statements as assigned by the Board

of Directors, and review the consolidated financial statements of the Company and its subsidiaries for the year 2014, before propose to the Board of Directors' for agreement, followed by another propose at the Shareholders' meeting for approval; these are done to ensure that they were prepared in accordance with generally accepted accounting standards and that everything was performed fairly and consistently according to the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Audit Committee also examined whether information in the financial statements were disclosed in an adequate and timely manner for the benefit of investors or stakeholders using the financial statements to make investment decisions. Regarding the review of the financial statements, the Auditor was invited to take part in every meeting. The Auditor's observations were used to improve corporate operations and enhance the quality of the financial statements. The Audit Committee has reviewed the Audit Plan for 2014 and monitored the Auditor's work. The Audit Committee also met the Auditor on one occasion in the absence of management, so as to encourage attendees to freely consult in matters of importance regarding the investigation results.

Regarding the changes in Accounting Standards based on the International Financial Reporting Standards (IFRS), the Audit Committee has followed up on the progress of these changes and their scheduled implementation, and has made the appropriate recommendations to the Management in order to be well-prepared and to have the consecutive correct practice.

2. Review of the Company's compliance with the SET's principles of good corporate governance and those of the Organization for Economic Co-operation and Development (OECD). The Company's adherence to these principles in the current year was highly commendable and the Company disclosed all relevant matters in its annual report. Moreover, it seeks to establish within the organization, a process of continuous development in good corporate governance.

3. Encourage the Company to apply Integrated Enterprise Risk Management and ensure a tracking on the company's risk management.
 4. Review of the suitability and adequacy of the Company's systems of internal controls and internal auditing. The Audit Committee and the Auditor agreed, after and as a result of such review, that there were no significant problems or deficiencies. The Audit Committee provided some suggestions to improve the efficiency of internal operational systems.
 5. Review the Company's internal process regarding the Whistleblower System.
 6. Review the work of the Office of Audits. The review covered its operations plan and its auditing work as well as its reporting and monitoring activities, including its annual assessment together with management of budgetary and manpower concerns of the Office of Audits. In addition, suggestions concerning ways to make its performance more effective were made along with ways of enhancing the effectiveness with which it implements its operations plan. Furthermore, the Audit Committee evaluated the annual audit plan for 2015 on the basis of assessments of the Company's internal controls and risk management along with plans pertaining to business operations, information technology, safety and environmental programs. Subsidiaries and associated companies in Thailand and abroad were also evaluated to ensure that the auditing plan was sufficiently comprehensive and included all significant factors. Furthermore, the Audit Committee met with the Audit team and offered additional advice and also considered the Charter of the Office of Audits regarding the quality of audits in terms of personnel and the operational plans. For the way of supporting the independence of the Auditor, the Audit Committee together with the Management considered the matter of appointing, withdrawing, transferring, or dismissing the head of the Office of Audits.
 7. Consider with the external auditor and review the objectives, plans, results and main topics of consideration in corporate audits and review the compliance with the legislation and regulations pertaining to securities, the stock market and the Company's business.
 8. Consider the connected transactions and conflicts of interest transactions, as per legislation and SET regulations, and transactions between the Company or its subsidiaries and Directors, Management or related persons in accordance with legislation pertaining to securities and the stock market, to ensure that such actions are legal, correct, reasonable, properly and adequately disclosed.
 9. Constantly monitor and consult with management concerning general matters of management that could affect the Company. If any matter is found to significantly affect the Company's financial status or operational results, the Audit Committee is to make a report to the Board of Directors and seek for prompt rectification. If no such resolution is undertaken, the Audit Committee is to submit a further report to SEC and/or SET.
 10. In 2014, the Audit Committee reported on its activities to the Board of Directors for five times.
 11. The Audit Committee conducted a self-assessment of the Committee's own work, both as a whole and of each individual member. This year, the Audit Committee assessment has been amended by a comparison to best practices.
 12. Consider and propose the appointment of auditor and audit fee to the Board of Directors, for subsequent submission to shareholders. Consideration of this matter is to be based upon performance, professional ethics and the reasonableness of the audit fee. For audit in 2015, the Audit Committee proposed that either Ms. Sureerat Thongarunsang, Mr. Charoen Phosamritler or Ms. Porntip Rimdusit of KPMG Phoomchai Audit Ltd. be appointed as the Company Auditor.
- The Audit Committee, finally, was independent and impartial in its deliberations and recommendations in order that operational results might conform to corporate objectives and manifest greater efficiency. The Audit Committee received excellent cooperation from all parties involved, for which we would like to express our appreciation at this time.

On behalf of the Audit Committee



Prawit Ninsuvannakul
Ph. D., C.P.A., IOD Chartered Director
Chairman of the Audit Committee

Audit Report of Certified Public Accountant

To the Shareholders of Thai Plastic and Chemicals Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Thai Plastic and Chemicals Public Company Limited and its subsidiaries (the "Group"), and of Thai Plastic and Chemicals Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks

of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Sureerat Thongarunsang)
Certified Public Accountant
Registration No. 4409

KPMG Phoomchai Audit Ltd.
Bangkok
12 February 2015

Statements of Financial Position

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
As at 31 December 2014

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
Assets	<i>Note</i>	2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents	5	235,148	1,655,631	17,356	1,279,408
Trade and other receivables	4, 6	4,277,559	4,391,203	3,403,805	3,398,181
Short-term loans to related parties	4	5,250	5,228	-	160,000
Inventories	7	4,193,885	3,726,586	2,266,919	1,874,906
VAT receivable		236,672	54,954	148,810	37,149
Other current assets		65,123	143,556	37,188	123,211
Total current assets		9,013,637	9,977,158	5,874,078	6,872,855
Non-current assets					
Available-for-sale investments	8	438,815	673,789	437,988	672,907
Investments in associates	9	2,701,630	2,656,372	53,330	53,330
Investments in subsidiaries	10	-	-	2,248,915	2,248,915
Investment in jointly-controlled entity	9	782,081	246,926	859,559	297,302
Other long-term investments	11	1,124,615	1,124,718	1,124,615	1,124,615
Property, plant and equipment	12	10,220,374	9,774,055	6,097,109	5,657,927
Intangible assets	13	116,440	114,539	67,311	76,989
Deferred tax assets	14	60,082	67,849	0	0
Other non-current assets	4	291,729	216,626	101,834.00	18,843
Total non-current assets		15,735,766	14,874,874	10,990,661	10,150,828
Total assets		24,749,403	24,852,032	16,864,739	17,023,683

The accompanying notes are an integral part of these financial statements.

Statements of Financial Position

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
As at 31 December 2014

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
Liabilities and shareholders' equity	<i>Note</i>	2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	15	2,863,714	307,577	2,255,684	-
Trade and other payables	4, 16	4,081,493	4,883,013	2,682,815	3,377,614
Current portion of long-term loans	15	450,360	452,427	-	-
Current portion of liability under					
finance lease contract	15	-	449,467	-	4,361
Short-term loans from related parties	4	-	-	639,000	1,041,700
Accrued expenses		133,777	144,902	42,887	54,195
Income tax payable		81,396	223,827	21,911	137,457
Short-term provisions		10,452	10,092	5,141	3,955
Other current liabilities		64,081	60,181	30,743	30,135
Total current liabilities		7,685,273	6,531,486	5,678,181	4,649,417
Non-current liabilities					
Long-term loans from					
financial institutions	15	320,000	772,427	-	-
Employee benefit obligations	17	325,452	331,991	173,527	170,856
Deferred tax liabilities	14	244,011	334,838	214,850	321,174
Total non-current liabilities		889,463	1,439,256	388,377	492,030
Total liabilities		8,574,736	7,970,742	6,066,558	5,141,447

The accompanying notes are an integral part of these financial statements.

Statements of Financial Position

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
As at 31 December 2014

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
Liabilities and shareholders' equity	Note	2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Shareholders' equity					
Share capital	18				
Authorised share capital		875,000	875,000	875,000	875,000
Issued and paid-up share capital		875,000	875,000	875,000	875,000
Premium on ordinary shares	19	2,700,000	2,700,000	2,700,000	2,700,000
Retained earnings					
Appropriated					
Legal reserve		87,500	87,500	87,500	87,500
Other reserve	19	1,184,000	1,184,000	1,184,000	1,184,000
Unappropriated		10,940,111	11,270,401	5,634,346	6,530,466
Other components of equity					
Fair value changes on investments	19	315,737	503,716	317,335	505,270
Currency translation differences	19	(354,492)	(259,102)	-	-
Total equity attributable to owners of the parent		15,747,856	16,361,515	10,798,181	11,882,236
Non-controlling interests		426,811	519,775	-	-
Total shareholders' equity		16,174,667	16,881,290	10,798,181	11,882,236
Total liabilities and shareholders' equity		24,749,403	24,852,032	16,864,739	17,023,683

The accompanying notes are an integral part of these financial statements.

Statements of Income

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2014

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
	Note	2014	2013	2014	2013
		(in thousand Baht)			
Revenues					
Revenue from sale of goods					
and rendering of services	4	31,869,589	32,371,249	24,234,334	24,576,886
Dividend income		26,912	34,836	374,302	223,276
Net foreign exchange gain		-	125,337	-	140,798
Other income	4, 17	87,467	114,724	108,046	185,105
Total revenues		31,983,968	32,646,146	24,716,682	25,126,065
Expenses					
Cost of sale of goods and rendering					
of services	4	28,547,642	27,413,008	23,367,684	22,420,719
Selling expenses	4, 21	915,413	922,989	254,117	291,353
Administrative expenses	4, 22	1,553,364	1,508,495	667,777	732,855
Net foreign exchange loss		155,302	-	147,291	-
Total expenses		31,171,721	29,844,492	24,436,869	23,444,927
Share of profit of associates and					
jointly-controlled entity	9	268,421	361,166	-	-
Profit before finance costs and					
income tax expenses		1,080,668	3,162,820	279,813	1,681,138
Finance costs		(80,626)	(94,244)	(32,791)	(25,759)
Profit before income tax expense		1,000,042	3,068,576	247,022	1,655,379
Income tax	24	(121,446)	(375,201)	36,476	(180,786)
Profit for the year		878,596	2,693,375	283,498	1,474,593

The accompanying notes are an integral part of these financial statements.

Statements of Income

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2014

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
	Note	2014	2013	2014	2013
		(in thousand Baht)			
Profit attributable to:					
Owners of the parent		849,375	2,605,303	283,498	1,474,593
Non-controlling interests		29,221	88,072	-	-
Profit for the year		878,596	2,693,375	283,498	1,474,593
Basic earnings per share					
attributable to owners					
of the parent (in Baht)	25	0.97	2.98	0.32	1.69

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2014

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
	Note	2014	2013	2014	2013
		(in thousand Baht)			
Profit for the year		878,596	2,693,375	283,498	1,474,593
Other comprehensive income					
Foreign currency translation					
differences for foreign operations		(110,335)	165,763	-	-
Net change in fair value of					
available-for-sale financial assets		(234,974)	74,010	(234,919)	74,640
Defined benefit plan actuarial gains	17	1,982	416	2,040	446
Income tax on other comprehensive income	24	46,598	(14,886)	46,576	(15,017)
Other comprehensive income					
for the year - net of income tax		(296,729)	225,303	(186,303)	60,069
Total comprehensive income for					
the year		581,867	2,918,678	97,195	1,534,662
Total comprehensive income					
attributable to:					
Owners of the parent		567,591	2,804,599	97,195	1,534,662
Non-controlling interests		14,276	114,079	-	-
Total comprehensive income for					
the year		581,867	2,918,678	97,195	1,534,662

The accompanying notes are an integral part of these financial statements.

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2014

The accompanying notes are an integral part of these financial statements.

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2014

For the year ended 31 December 2014

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The accompanying notes are an integral part of these financial statements.

Statements of Changes in Shareholders' Equity

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2014

Separate financial statements								
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			Fair value changes on investments	Total shareholders' equity
				Appropriated		Unappropriated		
				Legal reserve	Other reserve			
							(in thousand Baht)	
Balance at 1 January 2013		875,000	2,700,000	87,500	1,184,000	6,893,016	445,558	12,185,074
Transactions with owners, recorded directly in shareholders' equity								
Dividends	27	-	-	-	-	(1,837,500)	-	(1,837,500)
Total transactions with owners recorded directly in shareholders' equity		-	-	-	-	(1,837,500)	-	(1,837,500)
Comprehensive income for the year								
Profit for the year		-	-	-	-	1,474,593	-	1,474,593
Other comprehensive income								
Net changes in fair value of investments recognised in equity		-	-	-	-	-	74,640	74,640
Defined benefit plan actuarial gains	17	-	-	-	-	446	-	446
Income tax on other comprehensive income	24	-	-	-	-	(89)	(14,928)	(15,017)
Total comprehensive income for the year		-	-	-	-	1,474,950	59,712	1,534,662
Balance at 31 December 2013		875,000	2,700,000	87,500	1,184,000	6,530,466	505,270	11,882,236

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2014

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
	(in thousand Baht)			
Cash flows from operating activities				
Profit for the year	878,596	2,693,375	283,498	1,474,593
<i>Adjustments for</i>				
Depreciation and amortisation	1,279,099	1,190,363	684,311	633,454
Finance costs	80,626	94,244	32,791	25,759
Unrealised loss (gain) on exchange rate	(29,257)	9,155	(19,676)	14,000
Allowance for doubtful accounts (reversal)	9,643	5,588	(14,828)	710
Allowance for decline in value of inventory and inventory obsolescence (reversal)	132,016	27,943	68,173	(1,747)
Provision for impairment loss on property, plant and equipment (reversal)	9,156	(18,431)	16,909	(18,431)
Loss on disposal and write-off on property, plant and equipment	3,717	35,203	4,573	29,133
Provision for impairment loss/written-off of other investment (reversal)	103	5	-	-
Share of profit of associates and jointly-controlled entity	(268,421)	(361,166)	-	-
Dividend income from subsidiaries and associates	-	-	(347,395)	(188,512)
Dividend income from other investments	(26,912)	(34,836)	(26,907)	(34,764)
Provision for employee benefit obligations	3,180	11,345	6,755	310
Income tax expense	121,446	375,201	(36,476)	180,786
Profit provided by operating activities before changes in operating assets and liabilities	2,192,992	4,027,989	651,728	2,115,291

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2014

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Decrease (increase) in operating assets</i>				
Trade and other receivables	84,443	(791,055)	220,213	52,051
Inventories	(612,056)	(225,229)	(460,185)	(161,392)
VAT receivable	(181,718)	(5,398)	(111,661)	(37,149)
Other current assets	70,739	(76,250)	86,023	(73,741)
Other non-current assets	(100,515)	(16,818)	(88,587)	121
Net decrease (increase) in operating assets	(739,107)	(1,114,750)	(354,197)	(220,110)
<i>Increase (decrease) in operating liabilities</i>				
Trade and other payables	(800,579)	1,880,409	(716,564)	1,260,274
Accrued expenses	(23,418)	(78,172)	(11,308)	(55,639)
Other current liabilities	4,155	(41,161)	609	(5,833)
Employee benefit obligations	(7,378)	(21,428)	(858)	(18,213)
Net increase (decrease) in operating liabilities	(827,220)	1,739,648	(728,121)	1,180,589
Cash generated from operating activities	626,665	4,652,887	(430,590)	3,075,770
Income tax paid	(308,058)	(518,086)	(138,819)	(341,665)
Net cash provided by (used in) operating activities	318,607	4,134,801	(569,409)	2,734,105
<i>Cash flows from investing activities</i>				
Dividends received from subsidiaries and associates	196,618	213,388	282,395	262,887
Dividends received from other investments	26,912	34,836	26,907	34,764
Investments in associates	(562,257)	(36,208)	(562,257)	-
Other long-term investments	-	(221,526)	-	(221,526)
Purchase of property, plant and equipment	(1,690,572)	(982,159)	(1,069,559)	(404,187)
Sale of property, plant and equipment	7,373	9,591	271	1,821
Purchase of intangible assets	(27,694)	(21,312)	(4,982)	(5,407)
Net cash provided by (used in) investing activities	(2,049,620)	(1,003,390)	(1,327,225)	(331,648)

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2014

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
	(in thousand Baht)			
Cash flows from financing activities				
Interest paid	(86,960)	(92,487)	(32,791)	(25,786)
Dividends paid	(1,181,250)	(1,837,500)	(1,181,250)	(1,837,500)
Dividends paid to non-controlling interests	(87,617)	(38,760)	-	-
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	2,558,120	(331,346)	2,255,684	(38,347)
Cash received from short-term loans from related parties	-	-	2,377,000	16,000
Repayment of short-term loans from related parties	-	-	(2,779,700)	(9,500)
Repayment of long-term loans	(435,120)	(88,658)	-	-
Repayment of liability under finance lease contract	(449,467)	(95,266)	(4,361)	(7,352)
Net cash provided by (used in) financing activities	317,706	(2,484,017)	634,582	(1,902,485)
Net increase (decrease) in cash and cash equivalents	(1,413,307)	647,394	(1,262,052)	499,972
Cash and cash equivalents at beginning of year	1,655,631	1,013,166	1,279,408	779,436
Effect of exchange rate changes on balances held in foreign currency at end of year	(7,176)	(4,929)	-	-
Cash and cash equivalents at end of year	235,148	1,655,631	17,356	1,279,408
Supplementary information for cash flows				
Non-cash transactions				
Purchase fixed assets and intangible assets that have not yet been paid	144,085	81,888	77,945	26,875
Accrued dividend income	-	-	64,999	-

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2014

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Notes to the Financial Statements

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2014

These notes form an integral part of the consolidated financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English language, and were approved and authorized for issue by the Audit Committee as appointed by the Board of Directors of the Company on 12 February 2014.

1 General information

Thai Plastic and Chemicals Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office as follows:

Head office	:	1 Siam Cement Road., Bangsue, Bangkok Thailand
Factory 1	:	19, Moo 9, Municipality Samrongtai 21 Road, Bangyaprag, Prapradaeng, Samutprakarn, Thailand
Factory 2	:	8, I-1 Road, Maptaphut Industrial Estate, Maptaphut, Meung – Rayong, Thailand

The Company was listed on the Stock Exchange of Thailand on 27 April 1984.

The parent company is The Siam Cement Public Company Limited which was incorporated in Thailand.

The principal business of the Company and its subsidiaries (together referred to as the “Group”) is related to manufacturing and sales of PVC, which include related products produced from PVC.

Details of the Company’s subsidiaries as at 31 December 2014 and 2013 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2014	2013
			(%)	
Direct subsidiaries				
Total Plant Service Co., Ltd.	Investments and engineering service	Thailand	100.00	100.00
The Nawaplastic Industries (Saraburi) Co., Ltd.	Manufacturing and sales of PVC pipe and fittings	Thailand	100.00	100.00
Viet-Thai Plastchem Co., Ltd.	Manufacturing and sales of PVC	Vietnam	72.49	72.49
TPC Vina Plastic and Chemical Corporation Ltd.	Manufacturing and sales of PVC	Vietnam	70.00	70.00
Siam Stabilizers and Chemicals Co., Ltd.	Manufacturing and sales of Stabilizer	Thailand	60.00	60.00

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2014	2013
(%)				
Indirect subsidiaries				
Holding by Total Plant Service Co., Ltd.				
TPC Paste Resin Co., Ltd.	Manufacturing and sales of PVC	Thailand	100.00	100.00
Holding by The TPC Paste Resin Co., Ltd.				
Chemtech Co., Ltd.	Manufacturing and sales of compound	Vietnam	100.00	100.00
Holding by The Nawaplastic Industries (Saraburi) Co., Ltd.				
Nawaplastic Industries Co., Ltd.	Manufacturing and sales of PVC pipe and plastic products	Thailand	100.00	100.00
Nawa Intertech Co., Ltd.	Manufacturing and sales of molding products	Thailand	100.00	100.00
Minh Thai House component Co., Ltd.	Manufacturing and sales of PVC doors and windows	Vietnam	80.00	80.00

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group's operations and effective for annual accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

TFRS	Topic
TFRS 8 (revised 2012)	Operating Segments
TFRIC 10	Interim Financial Reporting and Impairment

The initial application of these new and revised TFRS has no effect in certain of the Group's accounting policies.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 35.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- available-for-sale financial assets are measured at fair value.
- the present value of the defined benefit obligation.

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 14, 24	Current and deferred taxation
Note 17	Discount rate, salary increase rate, employee turnover rate and mortality rate

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and jointly-controlled entities.

Significant transactions between the Company and its subsidiaries are eliminated on consolidation.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable in a subsidiary are allocated to non- controlling interests even if doing so causes the non- controlling interests to have a deficit balance.

Associates and jointly-controlled entities

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and jointly-controlled entities are accounted for in the consolidated financial statements using the equity method (Equity-accounted and jointly-controlled entities investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group’s share of profit or loss and other comprehensive income of associates and jointly-controlled entities, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or jointly control ceases. When the Group’s share of losses exceeds its interest in an associate or in a jointly-controlled entity, the Group’s carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or the jointly-controlled entity.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates that fair value was determined.

Foreign entities

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at the average exchange rates ruling during the reporting period.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes.

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in the statement of income when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the profit or loss. The fair value of forward exchange rate contracts is their listed market price at the reporting date.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments that are readily convertible to known amounts of cash and which are subject to a significant risk of change in value. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) Trade and other receivables

Trade and other accounts receivable are stated at their tax invoice or debit note value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investments

Investments in associates, subsidiaries and jointly-controlled entities

Investments in associates, subsidiaries and jointly-controlled entities in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and jointly-controlled entities in the consolidated financial statements are accounted for using the equity method.

Investments in equity securities

Marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Marketable equity securities are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in the profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the profit or loss.

Equity securities which are not marketable securities are stated at cost less any impairment loss.

The fair value of available-for-sale securities is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in the profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) Finance lease

The Group entered into sale and lease back agreement for certain building and machinery, resulting in a finance lease. Excess of sales proceeds over the carrying amount is not immediately recognised as income. This surplus is deferred and presented net under property, plant and equipment. Amortisation

of such surplus presented offsetting with depreciation expenses in the profit or loss over the term of the lease.

The Group recognises finance leases as assets and liabilities in the consolidated statement of financial position at amounts equal at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(i) Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss when assets are sold.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	5 - 20 years
Building and structures	5 - 30 years
Machinery and equipment	3 - 40 years
Furniture, fixtures and office equipment	3 - 15 years
Vehicles and transportation equipment	5 - 20 years

Depreciation expense for the finance lease assets is charged as expense for each accounting period. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned.

No depreciation is provided for land or assets under construction.

The Group capitalises borrowing costs incurred during the period of construction and installation as part of the plant under construction and machinery under installation. The capitalisation of borrowing costs ceases when the construction and installation is completed and the asset is ready for its intended use.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Acquisitions prior to 1 January 2008

Goodwill and negative goodwill was stated at cost from the date of initial recognition and amortised over its estimated useful life. On 1 January 2008, the Group discontinued amortisation of goodwill. The remaining balance is subject to testing for impairment, as described in note 4 (k). Negative goodwill carried in the financial statements as at 31 December 2007 was derecognised by crediting unappropriated retained earnings on 1 January 2008.

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Development cost of software	3 - 15	years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at cost less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(m) Trade and other payables

Trade and other payables are stated at cost.

(n) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) Revenue

Revenue excludes value added tax and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Rental income

Rental income is recognised in the profit or loss on a straight-line basis over the term of the lease.

Interest and dividend income

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Group's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

(q) Expenses

Operating lease

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in the profit or loss as an integral part of the total lease expense, over the term of lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, dividends on preference shares classified as liabilities.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(r) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(t) Business segment reporting

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment.

4 Related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa.

Relationships with subsidiaries, associates and jointly-controlled entities and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
The Siam Cement Public Company Limited	Thailand	Parent company
Total Plant Service Co., Ltd.	Thailand	Subsidiary
TPC Paste Resin Co., Ltd.	Thailand	Subsidiary
The Nawaplastic Industries (Saraburi) Co., Ltd.	Thailand	Subsidiary
Siam Stabilizers and Chemicals Co., Ltd.	Thailand	Subsidiary
Nawaplastic Industries Co., Ltd.	Thailand	Subsidiary
Nawa Intertech Co., Ltd.	Thailand	Subsidiary
Viet - Thai Plastchem Co., Ltd.	Vietnam	Subsidiary
TPC Vina Plastic and Chemical Corporation Ltd.	Vietnam	Subsidiary

Name of entities	Country of incorporation/ nationality	Nature of relationships
Chemtech Co., Ltd.	Vietnam	Subsidiary
Minh Thai House Component Co., Ltd.	Vietnam	Subsidiary
Siam TPC Co., Ltd.	Thailand	Associate
PT. TPC Indo Plastic & Chemicals	Indonesia	Associate
NAWACAM Co., Ltd.	Cambodia	Associate
Riken (Thailand) Co., Ltd.	Thailand	Associate
Inter Plastic Co., Ltd.	Laos	Associate
Tien Phong Plastic Joint Stock Company	Vietnam	Associate
SCG Plastics (China) Co., Limited	China	Associate
Binh Minh Plastics Joint Stock Company	Vietnam	Associate
Long Son Petrochemicals Co., Ltd.	Vietnam	Jointly-controlled entity
Rayong Olefins Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
SCG Cement-Building Materials Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
SCG Sourcing Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
Thai Polyethylene Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
SCG Chemicals Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
SCG Logistics Management Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
SCG Plastics Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
SCG Performance Chemicals Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
Thai Container Rayong Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
Siam Sanitary Ware Industry Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
CPAC Roof Tile Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
Siam Polyethylene Co., Ltd.	Thailand	Associate of Siam Cement Public Company Limited
Siam Global House Public Company Limited	Thailand	Associate of Siam Cement Public Company Limited

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from sale of goods and rendering of services	At prices equivalent to sales/services provided to third parties
Other income	At contractually agreed prices, equivalent to market prices
Purchases of raw materials and services	At prices equivalent to purchases/cost of services from third parties
Selling and administrative expenses	At contractually agreed prices, equivalent to market prices
Interest income and interest expense	At rates equivalent to market

Significant transactions for the years ended 31 December 2014 and 2013 with related parties were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Parent				
Advance payment for implementation project	105,022	-	93,329	-
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	5,291,417	4,919,361
Other income	-	-	78,802	90,872
Purchases of raw materials and services	-	-	44,275	90,697
Interest income	-	-	1,067	11,504
Interest expense	-	-	16,890	25,131
Dividend income	-	-	234,920	72,890
Associates				
Revenue from sale of goods and rendering of services	2,552,853	2,543,189	1,003,153	1,129,686
Other income	12,804	13,374	12,804	12,991
Purchases of raw materials and services	-	-	-	-
Selling and administrative expenses	-	-	971	-
Interest income	518	491	-	-
Dividend income	-	-	112,000	115,621
Related parties				
Revenue from sale of goods and rendering of services	15,124,568	15,287,675	13,331,324	17,495,286
Purchases of raw materials and services	8,248,662	7,954,653	3,943,042	4,086,213
Other income	-	-	15	2
Selling and administrative expenses	186,719	199,729	66,301	92,605

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Remuneration paid to the Company's directors	20,098	23,672	20,098	23,672

Directors' remuneration represents benefit paid to the Company's directors in accordance with Section 90 of the Public Companies Act B.E. 2535.

Balances as at 31 December 2014 and 2013 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Trade accounts receivable from related parties				
Subsidiaries				
TPC Vina Plastic and Chemical Corporation Ltd.	-	-	614,193	770,913
TPC Paste Resin Co., Ltd.	-	-	23,863	76,894
Associates				
PT. TPC Indo Plastic & Chemicals	409,962	177,838	409,962	177,838
Others	91,331	99,811	-	-
Other related parties				
SCG Plastics Co., Ltd.	1,580,654	1,754,561	1,580,654	1,754,561
SCG Performance Chemicals Co., Ltd.	543,319	570,011	400,087	405,269
Others	73,442	71,132	-	-
Total	2,698,708	2,673,353	3,028,759	3,185,475
Other receivables from and short-term loans to related parties				
Other receivables from related parties				
Subsidiaries	-	-	82,137	16,292
Associates	19,740	6,027	19,390	5,784
Other related parties	6,047	1,343	5,984	1,317
	25,787	7,370	107,511	23,393
Short-term loans to related parties				
Subsidiaries				
The Nawaplastic Industries (Saraburi) Co., Ltd.	-	-	-	160,000
Associates				
NAWACAM Co., Ltd.	5,250	5,228	-	-
	5,250	5,228	-	160,000
Total	31,037	12,598	107,511	183,393

Movements during the years ended 31 December 2014 and 2013 of short-term loan to related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	5,228	4,878	160,000	665,226
Increase	22	350	-	-
Decrease	-	-	(160,000)	(505,226)
At 31 December	5,250	5,228	-	160,000

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Trade accounts payable to related parties				
Subsidiaries	-	-	3,773	3,666
Other related parties				
Rayong Olefin Co., Ltd.	262,899	423,559	262,899	423,559
SCG Plastics Co., Ltd.	661,456	752,890	200	142
Rayong Engineering & Plant Service Co., Ltd.	51,263	56,230	47,303	56,230
Others	43,817	38,750	22,489	9,703
Total	1,019,435	1,271,429	336,664	493,300
Other payables to and short-term loans from related parties				
Other payables to related parties				
Subsidiaries	-	-	1,387	-
Other related parties				
SCG Chemicals Co., Ltd.	212,949	139,805	148,964	114,786
The Siam Cement Public Company Limited	22,880	10,162	20,997	7,375
Others	50,494	46,471	19,476	21,660
	286,323	196,438	190,824	143,821
Short-term loan from related party				
Subsidiaries				
Total Plant Service Co., Ltd.	-	-	559,000	1,041,700
The Nawaplastic Industries (Saraburi)Co., Ltd.	-	-	80,000	-
	-	-	639,000	1,041,700
Total	286,323	196,438	829,824	1,185,521

Movements during the years ended 31 December 2014 and 2013 of short-term loan from related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	-	-	1,041,700	1,035,200
Increase	-	-	2,377,000	16,000
Decrease	-	-	(2,779,700)	(9,500)
At 31 December	-	-	639,000	1,041,700

Key management personnel compensation

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Short-term employee benefits	79,875	83,912	79,875	83,912
Total	79,875	83,912	79,875	83,912

Significant agreement with related parties

The Company has entered into long-term agreements with a related company to purchase raw material for production at selling prices calculated according to conditions in the agreements, which are based on market prices. The agreements are for 31 years, terminating in 2029.

A subsidiary entered into agreements and memorandum with a foreign related company and a local related company regarding to license for manufacturing and for using technical data and commission on sales. The subsidiary is required to pay license fee and commission at percentage of sales as stipulated in the agreements. The agreements have terms of 7 - 15 years.

5 Cash and cash equivalent

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cash on hand	1,360	88,367	1	79,750
Cash at banks – current accounts	161,802	215,242	13,601	27,514
Cash at banks – savings accounts	24,928	77,544	3,754	1,465
Highly liquid short-term investments	47,058	1,274,478	-	1,170,679
Total	235,148	1,655,631	17,356	1,279,408

6 Trade and other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Trade receivables					
Related parties	4	2,698,708	2,673,353	3,028,759	3,185,475
Other companies		1,409,083	1,489,044	175,230	112,242
		<u>4,107,791</u>	<u>4,162,397</u>	<u>3,203,989</u>	<u>3,297,717</u>
Less allowance for doubtful accounts		(49,834)	(39,167)	(15,849)	(30,757)
Net		<u>4,057,957</u>	<u>4,123,230</u>	<u>3,188,140</u>	<u>3,266,960</u>
Other receivables					
Related parties	4	25,787	7,370	107,511	23,393
Other companies		193,815	260,603	108,154	107,828
		<u>219,602</u>	<u>267,973</u>	<u>215,665</u>	<u>131,221</u>
Total		<u>4,277,559</u>	<u>4,391,203</u>	<u>3,403,805</u>	<u>3,398,181</u>
Bad debts and doubtful debts expenses for the year (reversal)		<u>10,667</u>	<u>4,507</u>	<u>(14,908)</u>	<u>550</u>

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Within credit terms	3,618,942	3,827,580	3,105,258	3,266,870
Overdue:				
Less than 1 months	297,017	197,447	82,882	-
1 - 3 months	88,236	23,669	-	-
3 - 6 months	34,057	24,187	-	-
Over 6 months but within 12 months	7,970	12,161	-	-
Over 12 months	61,569	77,353	15,849	30,847
	<u>4,107,791</u>	<u>4,162,397</u>	<u>3,203,989</u>	<u>3,297,717</u>
Less allowance for doubtful accounts	(49,834)	(39,167)	(15,849)	(30,757)
Net	<u>4,057,957</u>	<u>4,123,230</u>	<u>3,188,140</u>	<u>3,266,960</u>

The normal credit term granted by the Group is 15-90 days.

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Raw materials	1,397,692	920,957	864,684	465,366
Spare parts	563,195	606,000	404,381	434,657
Goods in process	251,886	289,664	180,383	204,970
Finished goods	1,837,066	1,710,869	584,902	631,615
Goods in transit	320,866	243,900	305,910	143,466
	<u>4,370,705</u>	<u>3,771,390</u>	<u>2,340,260</u>	<u>1,880,074</u>
Less allowance for decline in value of inventory and inventory obsolescence	(176,820)	(44,804)	(73,341)	(5,168)
Net	<u>4,193,885</u>	<u>3,726,586</u>	<u>2,266,919</u>	<u>1,874,906</u>
Changes in inventories of finished goods and goods in process	88,419	144,821	(71,300)	55,496
Raw materials and consumables used	24,676,616	22,762,543	22,337,743	21,534,732

The cost of inventories which is recognised as an expense and included in cost of sale of goods in consolidated and separate financial statements for the year ended 31 December 2014 amounted to Baht 28,388 million and Baht 23,296 million, respectively (2013: Baht 27,386 million and Baht 22,421 million, respectively).

8 Available-for-sale investments

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Available-for-sale investment - cost	44,144	44,144	41,321	41,321
Add surplus on revaluation of investment	394,671	629,645	396,667	631,586
Total	<u>438,815</u>	<u>673,789</u>	<u>437,988</u>	<u>672,907</u>

9 Investments in associates and jointly-controlled entity

Movements for the year ended 31 December on investments in associates and jointly – controlled entity accounted for using the equity method were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Associates				
At 1 January	2,656,372	2,411,538	53,330	53,330
Share of net profit of investments				
- equity method	286,014	368,894	-	-
Increase	-	36,208	-	-
Dividend income	(196,618)	(213,388)	-	-
Currency translation differences	(44,138)	53,120	-	-
At 31 December	2,701,630	2,656,372	53,330	53,330
Jointly-controlled entity				
At 1 January	246,926	239,221	297,302	297,302
Share of net loss of investments				
- equity method	(17,593)	(7,728)	-	-
Increase	562,257	-	562,257	-
Currency translation differences	(9,509)	15,433	-	-
At 31 December	782,081	246,926	859,559	297,302
Total				
At 1 January	2,903,298	2,650,759	350,632	350,632
Share of net profit of investments				
- equity method	268,421	361,166	-	-
Increase	562,257	36,208	562,257	-
Dividend income	(196,618)	(213,388)	-	-
Currency translation differences	(53,647)	68,553	-	-
At 31 December	3,483,711	2,903,298	912,889	350,632

Investments in associates and jointly-controlled entity as at 31 December 2014 and 2013, and dividends for the years ended 31 December 2014 and 2013 were as follows:

Consolidated financial statements							
	Ownership interest (Direct and indirect holding) 2014	2013 (%)	Paid-up capital 2014	2013	Cost method 2014	2013 Equity method 2014	2013 Dividend income 2014
					(in thousand Baht)		
Associates							
Siam TPC Co., Ltd.	40.00	40.00	1,195,800	1,195,800	478,320	442,541	-
(ultimate holding company of PT. TPC Indo Plastic & Chemicals in Indonesia)							
NAWACAM Co., Ltd.	40.00	40.00	6,726	6,726	2,690	19,568	17,892
(held by The Nawaplastic Industries (Saraburi) Co., Ltd.)	35.00	35.00	120,000	120,000	42,000	523,411	112,000
Riken (Thailand) Co., Ltd.							6,695
Inter Plastic Co., Ltd.							113,750
(held by The Nawaplastic Industries (Saraburi) Co., Ltd.)	25.00	25.00	9,000	9,000	2,250	9,626	1,250
Tien Phong Plastic Joint Stock Company (held by The Nawaplastic Industries (Saraburi) Co., Ltd.) (*)	23.84	23.84	651,966	651,966	738,465	859,769	54,240
Binh Minh Plastics Joint Stock Company (held by The Nawaplastic Industries (Saraburi) Co., Ltd.) (*)	20.40	20.40	682,177	682,177	641,639	785,734	35,331
SCG Plastics (China) Co., Limited	20.00	20.00	4,509	4,509	11,330	16,509	1,872
Total			1,916,694	1,916,694	1,916,694	2,656,372	213,388

Consolidated financial statements

	Ownership interest (Direct and indirect holding) (%)		Paid-up capital		Cost method		Equity method		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<i>Jointly-controlled entity</i>										
Long Son Petrochemicals Co., Ltd. (**)	18.00	18.00	4,407,534	1,651,679	859,559	297,302	782,081	246,926	-	-
<i>Associates</i>										
Riken (Thailand) Co., Ltd.			35.00	35.00	120,000	120,000	42,000	42,000	112,000	113,750
SCG Plastics (China) Co., Limited			20.00	20.00	4,509	4,509	11,330	11,330	474	1,872
Total							53,330	53,330	112,474	115,622
<i>Jointly-controlled entity</i>										
Long Son Petrochemicals Co., Ltd. (**)			18.00	18.00	4,407,534	1,651,679	859,559	297,302	-	-

Separate financial statements

	Ownership interest (Direct and indirect holding) (%)		Paid-up capital		Cost method		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013
<i>(in thousand Baht)</i>								
<i>Associates</i>								
Riken (Thailand) Co., Ltd.	35.00	35.00	120,000	120,000	42,000	42,000	112,000	113,750
SCG Plastics (China) Co., Limited	20.00	20.00	4,509	4,509	11,330	11,330	474	1,872
Total					53,330	53,330	112,474	115,622
<i>Jointly-controlled entity</i>								
Long Son Petrochemicals Co., Ltd. (**)	18.00	18.00	4,407,534	1,651,679	859,559	297,302	-	-

The following summarised financial information related to interests in jointly-controlled entities for the years ended 31 December is as follows:

	Owner- ship (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Share- holders' equity	Total revenues	Total expenses	Loss for the year
2014										
Long Son Petrochemicals Co., Ltd.	18	592,989	177,425	770,414	73,415	-	696,999	396	(18,003)	(17,607)
2013										
Long Son Petrochemicals Co., Ltd.	18	172,090	103,583	275,673	28,747	-	246,926	662	(8,390)	(7,728)

(*) At the general meeting of shareholders of Tien Phong Plastics Joint Stock Company held on 16 May 2014, the shareholders approved dividend payment of cash dividend with the date of dividend payment on 20 June 2014 and ordinary share dividend payment in July 2014. The Group is entitled to receive cash dividend amounting to Baht 23 million and 3.10 million ordinary shares at the par value of Vietnamese Dong 10,000 per share, totalling Baht 46 million.

(**) At the Board of Directors meeting of Long Son Petrochemicals Co., Ltd. during 2014, the Board approved the call for the payments of additional share capital amounting to USD 17.0 million, equivalent to Baht 562 million. These had already been paid during 2014.

10 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income for the years ended 31 December 2014 and 2013 were as follows:

	Separate financial statements					
	Ownership interest (Direct and indirect holding)		Paid-up capital		Cost method	
	2014	2013 (%)	2014	2013	2014 (in thousand Baht)	2013
Subsidiaries						
Total Plant Service Co., Ltd.	100.00	100.00	1,180,000	1,180,000	1,180,000	14,750
The Nawaplastic Industries (Saraburi) Co., Ltd.	100.00	100.00	400,000	400,000	382,928	-
Viet-Thai Plastchem Co., Ltd.	72.49	72.49	75,071	75,071	57,123	-
TPC Vina Plastic and Chemical Corporation Ltd.	70.00	70.00	1,012,964	1,012,964	514,864	-
Siam Stabilizers and Chemicals Co., Ltd.	60.00	60.00	190,000	190,000	114,000	58,140
Total					<u>2,248,915</u>	<u>72,890</u>
					<u>2,248,915</u>	<u>234,920</u>

11 Other long-term investments

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
		(in thousand Baht)		
Other long - term investment - at cost	1,124,615	1,140,050	1,124,615	1,124,615
Less allowance for impairment	-	(15,332)	-	-
Total	<u>1,124,615</u>	<u>1,124,718</u>	<u>1,124,615</u>	<u>1,124,615</u>

							Consolidated financial statements				
							Machinery and factory equipment	Furniture, fixtures and office equipment	Vehicles and delivery equipment	Assets under construction	Total
							(in thousand Baht)				
Cost											
At 1 January 2013	338,064	103,132	3,392,732			21,980,000	388,827		101,763	821,081	27,125,599
Additions	-	-	28,845			49,232	4,663		5,801	907,924	996,465
Transfers	-	2,465	63,611			631,527	30,372		170	(728,145)	-
Disposals / written-off	-	-	(31,227)			(219,914)	(58,134)		(9,369)	-	(318,644)
Effect of movements in exchange rates	-	-	52,486			83,332	960		1,600	2	138,380
At 31 December 2013 and											
1 January 2014	338,064	105,597	3,506,447			22,524,177	366,688		99,965	1,000,862	27,941,800
Additions	-	-	3,175			62,809	5,094		6,958	1,709,021	1,787,057
Transfers	-	7,241	79,773			978,693	22,651		-	(1,088,358)	-
Disposals / written-off	-	-	(15,746)			(95,398)	(6,208)		(1,553)	(43)	(118,948)
Effect of movements in exchange rates	-	-	(31,359)			(123,066)	(386)		(1,100)	(123)	(156,034)
At 31 December 2014	338,064	112,838	3,542,290			23,347,215	387,839		104,270	1,621,359	29,453,875

Separate financial statements

	Land	Building and structure	Machinery and factory equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles and delivery equipment	Assets under construction	Total
Cost							
At 1 January 2013	49,186	1,547,624	14,549,615	244,879	80,112	601,671	17,073,087
Additions	-	-	15,533	2,748	60	388,882	407,223
Transfers	-	17,413	194,183	6,375	16	(217,987)	-
Disposals / written-off	-	(30,622)	(154,156)	(47,537)	(7,465)	-	(239,780)
At 31 December 2013 and 1 January 2014	49,186	1,534,415	14,605,175	206,465	72,723	772,566	17,240,530
Additions	-	-	18,586	3,101	-	1,103,304	1,124,991
Transfers	-	6,790	408,835	1,494	-	(417,119)	-
Disposals / written-off	-	(15,746)	(17,496)	(3,646)	(591)	(43)	(37,522)
At 31 December 2014	49,186	1,525,459	15,015,100	207,414	72,132	1,458,708	18,327,999
Accumulated depreciation and impairment losses							
At 1 January 2013	-	1,062,076	9,872,642	199,546	71,590	-	11,205,854
Depreciation charge for the year	-	48,156	551,530	16,351	2,227	-	618,264
Impairment losses	-	-	16	-	-	-	16
Reversal of impairment loss	-	-	(18,447)	-	-	-	(18,447)
Disposals / written-off	-	(30,552)	(138,834)	(46,258)	(7,440)	-	(223,084)
At 31 December 2013 and 1 January 2014	-	1,079,680	10,266,907	169,639	66,377	-	11,582,603
Depreciation charge for the year	-	47,598	598,778	15,480	2,201	-	664,057
Impairment losses	-	-	16,908	-	-	-	16,908
Disposals / written-off	-	(15,389)	(13,054)	(3,646)	(589)	-	(32,678)
At 31 December 2014	-	1,111,889	10,869,539	181,473	67,989	-	12,230,890

Separate financial statements						
	Land	Building and structure	Machinery and factory equipment	Furniture, fixtures and office equipment	Vehicles and delivery equipment	Assets under construction
				(in thousand Baht)		Total
Net book value						
At 31 December 2013	49,186	454,735	4,338,268	36,826	6,346	5,657,927
At 31 December 2014	49,186	413,570	4,145,561	25,941	4,143	6,097,109
Leased assets						

As at 31 December 2013, leased assets under financial lease contracts amounting to Baht 397 million for the Group and Baht 22 million for the Company with net book value amounting to Baht 274 million for the Group and Baht 10 million for the Company.

13 Intangible assets

	Consolidated financial statements	Separate financial statements
	Development cost of software (in thousand Baht)	Development cost of software
Cost		
At 1 January 2013	330,132	254,646
Additions	21,451	5,408
Disposals / written-off	(115)	-
Effect of movements in exchange rates	477	-
At 31 December 2013 and 1 January 2014	351,945	260,054
Additions	27,518	4,982
Disposals / written-off	(108,373)	(105,932)
Effect of movements in exchange rates	(203)	-
At 31 December 2014	270,887	159,104
Accumulated amortisation		
At 1 January 2013	214,830	167,875
Amortisation charge for the year	22,314	15,190
Disposals / written-off	(102)	-
Effect of movements in exchange rates	364	-
At 31 December 2013 and 1 January 2014	237,406	183,065
Amortisation charge for the year	25,436	14,660
Disposals / written-off	(108,375)	(105,932)
Effect of movements in exchange rates	(20)	-
At 31 December 2014	154,447	91,793
Net book value		
At 31 December 2013	114,539	76,989
At 31 December 2014	116,440	67,311

14 Deferred tax assets (deferred tax liabilities)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Deferred tax assets	60,082	67,849	53,571	42,147
Deferred tax liabilities	(244,011)	(334,838)	(268,421)	(363,321)
Net	(183,929)	(266,989)	(214,850)	(321,174)

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements			
	At 1	Credited / (Charged) to:		At 31
	January	Profit or loss	Other	December
	2014		comprehensive	2014
		(in thousand Baht)		
<i>Deferred tax assets</i>				
Property, plant and equipment	2,701	203	-	2,904
Accounts receivable	6,858	(2,982)	-	3,876
Long-term investments	8,845	-	-	8,845
Available-for-sale-investments	388	-	-	388
Inventories	8,888	12,724	-	21,612
Finance lease liabilities	36,470	(4,957)	-	31,513
Employee benefit obligations	67,655	(417)	(397)	66,841
Others	2,533	(518)	-	2,015
Total	134,338	4,053	(397)	137,994
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(235,527)	47,466	-	(188,061)
Available-for-sale-investments	(126,317)	-	46,995	(79,322)
Investments in associates	(37,962)	(15,507)	-	(53,469)
Finance lease liabilities	(1,425)	275	-	(1,150)
Others	(96)	175	-	79
Total	(401,327)	32,409	46,995	(321,923)
Net	(266,989)	36,462	46,598	(183,929)

Consolidated financial statements			
	Credited / (Charged) to:		
	At 1	Profit or loss	Other
	January		comprehensive
	2013		income
		(in thousand Baht)	
			At 31
			December
			2013
Deferred tax assets			
Property, plant and equipment	2,701	-	-
Accounts receivable	6,932	(74)	-
Long-term investments	3,066	5,779	-
Available-for-sale-investments	262	-	126
			388
Inventories	3,300	5,588	-
Finance lease liabilities	47,886	(11,416)	-
Employee benefit obligations	66,032	1,707	(84)
Others	15	2,518	-
Total	130,194	4,102	42
Deferred tax liabilities			
Property, plant and equipment	(283,014)	47,487	-
Available-for-sale-investments	(111,389)	-	(14,928)
Investments in associates	(18,770)	(19,192)	-
Finance lease liabilities	(1,121)	(304)	-
Others	(4,130)	4,034	-
Total	(418,424)	32,025	(14,928)
Net	(288,230)	36,127	(14,886)
			(266,989)

	At 1 January 2014	Separate financial statements Credited / (Charged) to:		At 31 December 2014
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Accounts receivable	6,151	(2,981)	-	3,170
Inventories	1,034	13,634	-	14,668
Employee benefit obligations	34,962	1,179	(408)	35,733
Total	42,147	11,832	(408)	53,571
Deferred tax liabilities				
Property, plant and equipment	(235,527)	47,466	-	(188,061)
Available-for-sale-investments	(126,317)	-	46,984	(79,333)
Finance lease liabilities	(1,425)	275	-	(1,150)
Others	(52)	175	-	123
Total	(363,321)	47,916	46,984	(268,421)
Net	(321,174)	59,748	46,576	(214,850)

	At 1 January 2013	Separate financial statements Credited / (Charged) to:		At 31 December 2013
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Accounts receivable	6,041	110	-	6,151
Inventories	1,383	(349)	-	1,034
Employee benefit obligations	38,632	(3,581)	(89)	34,962
Others	15	(15)	-	-
Total	46,071	(3,835)	(89)	42,147
Deferred tax liabilities				
Property, plant and equipment	(283,014)	47,487	-	(235,527)
Available-for-sale-investments	(111,389)	-	(14,928)	(126,317)
Finance lease liabilities	(1,121)	(304)	-	(1,425)
Others	(3,644)	3,592	-	(52)
Total	(399,168)	50,775	(14,928)	(363,321)
Net	(353,097)	46,940	(15,017)	(321,174)

15 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Bank overdrafts and short-term loans from financial institutions	2,863,714	307,577	2,255,684	-
<i>Long-term loans from financial Institution</i>				
Current portion of long-term loans	450,360	452,427	-	-
After one year but within five years	320,000	772,427	-	-
Total long-term loans from financial Institution	770,360	1,224,854	-	-
<i>Liability under finance lease contract</i>				
Current portion of liability under finance lease	-	449,467	-	4,361
Total liability under finance lease contract	-	449,467	-	4,361
Total interest-bearing liabilities	3,634,074	1,981,898	2,255,684	4,361

The currency denominations of interest-bearing liabilities were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht	2,915,683	1,451,800	2,255,684	4,361
US Dollars (Equivalent to Baht)	110,360	224,853	-	-
Vietnamese Dong (Equivalent to Baht)	608,031	305,245	-	-
Total	3,634,074	1,981,898	2,255,684	4,361

Interest rates

Consolidated financial statements			
	Loans bearing fixed interest rate	Loans bearing floating interest rate (in thousand Baht)	Total
2014			
Bank overdrafts and short-term loans from financial institution	-	2,863,714	2,863,714
Long-term loans from financial institution	-	770,360	770,360
Total	-	3,634,074	3,634,074
2013			
Bank overdrafts and short-term loans from financial institution	-	307,577	307,577
Long-term loans from financial institution	-	1,224,854	1,224,854
Liability under financial lease contract	449,467	-	449,467
Total	449,467	1,532,431	1,981,898

Separate financial statements			
	Loans bearing fixed interest rate	Loans bearing floating interest rate (in thousand Baht)	Total
2014			
Bank overdrafts and short-term loans from financial institution	-	2,255,684	2,255,684
Total	-	2,255,684	2,255,684
2013			
Liability under financial lease contract	4,361	-	4,361
Total	4,361	-	4,361

As at 31 December 2014, the Group had bank overdraft facility amounting to Baht 420 million (2013: Baht 355 million).

The above long-term loans included loans which bear fixed interest rates for the initial period of the loans and floating interest rates for the remaining period. The terms and schedule of loan repayment are different in each agreement. The above table shows the interest bearing status of the loans as at 31 December 2014 and 2013.

As at 31 December 2014, long-term loans of the Group had a maturity date of repayment in 2015 to 2016.

The Company's loan agreements contain certain conditions and restrictions relating to commitments in respect of property, plant and equipment of the Company, including maintenance of Debt to Equity ratio and holding portion of major holding company.

Finance lease liabilities

The Group entered into leased machinery, factory equipment and office equipment agreements. Lease terms are for a period of 3-4 years. Finance lease liabilities as at 31 December are as follows:

Consolidated financial statements						
	2014			2013		
	Principal	Interest	Payments	Principal	Interest	Payments
	<i>(in thousand Baht)</i>					
Within one year	-	-	-	449,467	7,433	456,900
Total	-	-	-	449,467	7,433	456,900

Separate financial statements						
	2014			2013		
	Principal	Interest	Payments	Principal	Interest	Payments
	<i>(in thousand Baht)</i>					
Within one year	-	-	-	4,361	78	4,439
Total	-	-	-	4,361	78	4,439

As at 31 December 2013, finance lease liabilities of the Group are secured by the machinery, factory equipment and office equipment amounting to Baht 274 million.

Finance lease liabilities to the subsidiary will mature in June 2014 amounting to Baht 445 million.

16 Trade and other payables

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Trade payables					
Related parties	4	1,019,435	1,271,429	336,664	493,300
Other companies		2,472,089	3,168,633	2,077,117	2,699,383
Total		3,491,524	4,440,062	2,413,781	3,192,683
Other payables					
Related parties	4	286,323	196,438	190,824	143,821
Other companies		303,646	246,513	78,210	41,110
		589,969	442,951	269,034	184,931
Total		4,081,493	4,883,013	2,682,815	3,377,614

17 Employee benefit obligations

The Group and the Company operate post-employment benefit and pension based on the requirements of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement plans benefits and other long-term benefit to employees based on pensionable remuneration and length of service.

Employee benefit liabilities in statement of financial position as at 31 December

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Defined benefit obligations				
Post-employment benefits				
Legal severance payments plan	250,006	260,539	128,331	121,643
Other long-term employee benefits	53,706	48,281	41,535	44,048
Total defined benefit obligation	303,712	308,820	169,866	165,691
Other employee benefits				
(pension fund and leave right)	21,740	23,171	3,661	5,165
Total employee benefit obligations	325,452	331,991	173,527	170,856

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	308,820	314,674	165,691	177,360
Benefits paid by the plan	(8,001)	(15,756)	(4,435)	(9,623)
Curtailment gain	(20,836)	(24,708)	-	(21,515)
Current service costs	20,347	22,236	10,311	12,056
Interest on obligations	11,265	11,579	6,104	6,620
Actuarial losses (gains) recognized in profit or losses	(5,901)	1,211	(5,765)	1,239
Actuarial gains recognized in other comprehensive income	(1,982)	(416)	(2,040)	(446)
Defined benefit obligations at 31 December	303,712	308,820	169,866	165,691

Expense recognised in profit or loss

For the years ended	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current service costs	20,347	22,236	10,311	12,056
Interest on obligation	11,265	11,579	6,104	6,620
Curtailment gain	(20,836)	(24,708)	-	(21,515)
Actuarial losses (gains) recognized in profit or losses	(5,901)	1,211	(5,765)	1,239
Total	4,875	10,318	10,650	(1,600)

The above expense recognised in profit or loss is recognised in the following line items

For the years ended	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cost of sales	9,292	16,422	2,627	10,124
Administrative expenses	16,419	18,604	8,023	9,791
Other income	(20,836)	(24,708)	-	(21,515)
Total	4,875	10,318	10,650	(1,600)

The Company had transferred employees to a subsidiary and related companies in the group of The Siam Cement Public Company Limited. This resulted in the employee benefit obligations in the consolidated statements of financial position as at 31 December 2014 decreasing by Baht 21 million (2013: consolidated and separate statements of financial position amount Baht 25 million and Baht 22 million, respectively) and curtailment gain in the consolidated statements of income decreasing by Baht 21 million (2013: consolidated and separate statements of income amount Baht 25 million and Baht 22 million, respectively).

Actuarial gains and losses recognised in other comprehensive income

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Actuarial gains recognized in other comprehensive income	(1,982)	(416)	(2,040)	(446)

Principal actuarial assumptions at the reporting date

	Consolidated financial statements		%	Separate financial statements	
	2014	2013		2014	2013
Discount rate	3.46, 3.66	3.46, 3.66		3.46, 3.66	3.46, 3.66
Salary increase rate	7.1, 12	7.1, 12		7.1	7.1
Employee turnover rate	2.0 – 11.0*	2.0 – 11.0*		2.0 – 11.0*	2.0 – 11.0*
Mortality rate	30.00 of TMO2008***	30.00 of TMO2008***		30.00 of TMO2008***	30.00 of TMO2008***

* Depend on working year

*** Thailand Mortality Ordinary Table 2008

18 Share capital

	Par value per share (in Baht)	2014		2013	
		Number	Baht (thousand share /in thousand Baht)	Number	Baht
Authorised					
At 1 January					
- ordinary shares	1	875,000	875,000	875,000	875,000
At 31 December					
- ordinary shares	1	875,000	875,000	875,000	875,000
Issued and fully paid					
At 1 January					
- ordinary shares	1	875,000	875,000	875,000	875,000
At 31 December					
- ordinary shares	1	875,000	875,000	875,000	875,000

19 Share premium and reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

Fair value changes in available-for-sale investments

The fair value change in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

20 Segment information

Segment information is presented in respect of the Group's business segments based on the Group's management and internal reporting structure.

Segment assets, revenues and results of operations include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group's business segments are as follow:

PVC business	Manufacturing and sales of PVC
Related to PVC business	Manufacturing and sales product related to PVC, which include pipes, fittings and finished plastic products produce from PVC
Other business	Other business consist of manufacturing and sales of compound, mould, investments and engineering service.

The segment information is presented to the management in order to assess segment's performance and to allocate resources to those segments. The Group's performance is measured based on earning before interest, tax and depreciation and amortisation (EBITDA).

Business segment information for the year ended at 31 December 2014 and 2013 as follows:

	2014			
	PVC	Related to PVC	Others (in thousand Baht)	Total (in thousand Baht)
				Eliminations
				Net
Revenue				
External revenue	21,405,009	9,543,477	921,103	31,869,589
Inter-segment revenue	9,530,336	240,949	-	(9,771,285)
Total segment revenue	30,935,345	9,784,426	921,103	41,640,874
Gross profit	1,026,354	2,085,454	133,129	3,244,937
Dividend income	55,412	-	-	55,412
Other income	501,797	43,226	28,319	573,342
Net foreign exchange gain (loss)	(163,220)	7,250	668	(155,302)
Selling and Administrative expenses	(1,112,997)	(1,301,218)	(54,665)	(2,468,880)
Finance costs	(70,908)	(32,744)	(503)	(104,155)
Share of profits of associates and jointly-controlled entity	30,249	238,172	-	268,421
Income tax expense	23,942	(131,892)	(13,496)	(121,446)
Profit for the year	290,629	908,248	93,452	1,292,329
Interest income	6,730	5,349	21,344	33,423
Interest expense	(70,908)	(32,744)	(503)	(104,155)
Depreciation and amortisation charge	887,172	371,371	7,819	1,266,362
Segment assets as at 31 December 2014	20,692,716	6,478,442	1,626,199	28,797,357
				(4,047,954)
				24,749,403

	2013			
	PVC	Related to PVC	Others (in thousand Baht)	Total (in thousand Baht)
				Eliminations
				Net
Revenue				
External revenue	26,150,056	5,427,339	793,854	32,371,249
Inter-segment revenue	5,246,433	3,758,476	13,132	-
Total segment revenue	31,396,489	9,185,815	806,986	41,389,290
Gross profit	2,634,769	2,119,483	130,954	4,885,206
Dividend income	92,976	-	-	92,976
Other income	326,439	17,502	28,741	372,682
Net foreign exchange gain	119,350	4,620	1,367	125,337
Selling and administrative expenses	(1,249,057)	(1,135,423)	(50,904)	(2,435,384)
Finance costs	(77,720)	(52,667)	(492)	(130,879)
Share of profits of associates and jointly-controlled entity	130,594	230,572	-	361,166
Income tax expense	(226,511)	(131,674)	(15,020)	(373,205)
Profit for the year	1,750,840	1,052,413	94,646	2,897,899
Interest income	26,009	3,241	25,594	54,844
Interest expense	(77,720)	(52,667)	(492)	(130,879)
Depreciation and amortization charge	835,624	333,592	8,410	1,177,626
Segment assets as at 31 December 2013	21,083,518	6,306,992	1,579,477	28,969,987
				(4,113,788)
				24,856,199

Geographical segments

In presenting information on the basis of geographical segments, segment revenue and assets are based on the geographical location of assets.

Information relating to geographical segments for the years ended 31 December 2014 and 2013 as follows:

	Domestic	2014 Overseas (in thousand Baht)	Eliminations	Total
Revenue				
External revenue	24,741,231	7,128,358	-	31,869,589
Inter-segment revenue	9,614,695	156,590	(9,771,285)	-
Total segment revenue	34,355,926	7,284,948	(9,771,285)	31,869,589

	Domestic	2013 Overseas (in thousand Baht)	Eliminations	Total
Revenue				
External revenue	26,410,486	5,960,763	-	32,371,249
Inter-segment revenue	8,853,401	164,640	(9,018,041)	-
Total segment revenue	35,263,887	6,125,403	(9,018,041)	32,371,249

Geographical information for years ended 31 December 2014 and 2013 as follows:

	Domestic	2014 Overseas (in thousand Baht)	Eliminations	Total
Non-current assets*	16,220,032	1,553,772	(2,098,120)	15,675,684

	Domestic	2013 Overseas (in thousand Baht)	Eliminations	Total
Non-current assets*	15,033,791	1,751,083	(1,977,849)	14,807,025

* Non-current assets are not include deferred tax assets.

Major customer

The Group had no revenues from one external customer constituting more than 10 percent of the Group's total revenues for the years 2014 and 2013.

21 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Distribution expenses	667,777	698,322	247,586	289,414
Others	247,636	224,667	6,531	1,939
Total	915,413	922,989	254,117	291,353

22 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Personnel expenses in administration	737,172	752,979	308,964	347,163
Professional fees	172,059	139,812	79,252	66,565
Rents	105,466	119,412	18,269	37,260
Management benefit expenses	79,875	83,912	79,875	83,912
Outside wages	77,809	73,034	3,371	6,045
Depreciation and amortisation expenses	44,964	38,011	19,235	20,994
Others	336,019	301,335	158,811	170,916
Total	1,553,364	1,508,495	667,777	732,855

23 Personnel expenses

	Consolidated financial statements		Separate financial statements	
	2014	20123	2014	2013
	<i>(in thousand Baht)</i>			
Salaries, wages and others	1,382,955	1,252,507	624,241	523,701
Pension costs - defined benefit plans	35,743	33,815	10,651	18,676
Pension costs - defined contribution plans	68,575	67,655	30,183	30,137
Others	167,625	213,328	45,903	82,292
Total	1,654,898	1,567,305	710,978	654,806

The Group has provident fund plans to provide retirement and gratuity benefits to employees. For most of the plans, the benefits made solely by the Group are payable to the employees upon resignation at 5% to 10% of the employees' salaries, depending on the length of employment. In addition to the above provident funds, since April 1995, the Group has established a contributory provident fund covering substantially all employees. This fund was registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership is voluntary upon employees attaining permanent status. Under the regulations of the fund, members are required to make monthly contributions to the fund at 2% to 13% of the members' basic salaries and the Group is required to make monthly contributions to the fund at 5% to 13% of the members' basic salaries, depending on the length of employment.

24 Income tax

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		157,739	417,713	24,732	230,283
Under (over) provided in prior years		169	(6,385)	(1,460)	(2,557)
		<u>157,908</u>	<u>411,328</u>	<u>23,272</u>	<u>227,726</u>
Deferred tax					
Movements in temporary differences	14	(36,462)	(36,127)	(59,748)	(46,940)
Total		<u>121,446</u>	<u>375,201</u>	<u>(36,476)</u>	<u>180,786</u>

Income tax recognised in other comprehensive income

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Available-for-sale financial assets	14	(46,995)	14,802	(46,984)	14,928
Defined benefit plan actuarial gains	14	397	84	408	89
Total		<u>(46,598)</u>	<u>14,886</u>	<u>(46,576)</u>	<u>15,017</u>

Reconciliation of effective tax rate

Consolidated financial statements				
	2014		2013	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		1,000,042		3,068,576
Income tax using the Thai corporation tax rate	20	200,008	20	613,715
Effect of different tax rates in foreign jurisdictions		776		(8,771)
Difference in effective tax rate of share of profit associate and jointly-controlled entity		(53,684)		(72,233)
Income not subject to tax		(156,414)		(158,958)
Addition expenses deductible for tax purposes		(4,820)		(3,652)
Expenses not deductible for tax purposes and others		171,873		47,612
Current year income tax	22	157,739	14	417,713
Under (over) provided in prior years		169		(6,385)
Movements in temporary differences		(36,462)		(36,127)
Total	17	121,446	12	375,201

Separate financial statements				
	2014		2013	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		247,022		1,655,379
Income tax using the Thai corporation tax rate	20	49,404	20	331,076
Income not subject to tax		(90,659)		(146,790)
Expenses not deductible for tax purposes		65,987		45,997
Current year income tax	10	24,732	14	230,283
Under (over) provided in prior years		(1,460)		(2,557)
Movements in temporary differences		(59,748)		(46,940)
Total	(15)	(36,476)	11	180,786

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

25 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December were based on net profit attributable to equity holders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht/ thousand shares)</i>			
Net profit attributable to equity holders of the Company	849,375	2,605,303	283,498	1,474,593
Number of ordinary shares outstanding	875,000	875,000	875,000	875,000
Basic earnings per share (in Baht)	0.97	2.98	0.32	1.69

26 Promotional privileges

By virtue of the provisions of the Investment Promotion Act B.E. 2520, the Group has been granted privileges by the Board of Investment related to: (1) manufacturing of EDC, VCM, PVC Resin, Caustic Soda and by-products and investment in research and development of PVC business; (2) manufacturing of PVC Stabilizer; (3) manufacturing of PVC Paste Resin; (4) manufacturing of plastic products, plastic parts and molds; and (5) manufacturing of dies, molds, jigs and fixtures.

Subject to certain specified conditions, the tax privileges include the followings:

- Exemption from import duty on approved machinery and 50% reduction of import duties for machinery not subject to the import tax reduction schedules as per Ministerial Regulation No. Sor Kor 13/2533.
- Exemption from import duty on the raw and essential materials imported for use specially in producing for export for a periods of 1-5 years from the date of first import.
- Special permission to take certain deductions in addition to normal expenses in the computation of net profit for tax purposes.
- Exemption of corporate income tax on profit from the promoted business according to certain prescribed in the promotional certificates for a period of 3-8 years commencing from the date on which revenue from the promoted business is first earned.
- Corporate income tax reduction on the net profit from promoted business at the rate of fifty percent of normal rate for a period of five years from the expiry of corporate income tax exemption.
- 5% reduction of any increase in income over the previous year from exports for a period of 10 years from the date on which the Company first receives promoted operating revenues.
- Exemption from income tax on dividends paid to the shareholders from the profits derived from promoted business during the promotion period.

As promoted companies, the Company and its subsidiaries must comply with certain conditions and restrictions provided for in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements			
	2014	2013		
	Promoted businesses	Non-promoted businesses	Promoted businesses	Non-promoted businesses
			Total	Total
			(in thousand Baht)	
Revenues				
Income from export sales	9,914	10,778,571	10,788,485	5,613,625
Income from local sales and service income	4,491,770	16,589,334	21,081,104	19,623,395
Total income	4,501,684	27,367,905	31,869,589	25,237,020
Share of profit of associates and jointly-controlled entity			268,421	361,166
Dividend income			26,912	34,836
Other income and net foreign exchange gain			87,467	240,061
Total revenues			32,252,389	33,007,312

	Separate financial statements			
	2014	2013		
	Promoted businesses	Non-promoted businesses	Promoted businesses	Non-promoted businesses
			Total	Total
			(in thousand Baht)	
Revenues				
Income from export sales	-	5,910,206	5,910,206	6,243,625
Income from local sales and service income	4,237,749	14,086,379	18,324,128	18,333,261
Total income	4,237,749	19,996,585	24,234,334	24,576,886
Dividend income			196,618	223,276
Other income and net foreign exchange gain			477,877	325,903
Total revenues			24,908,829	25,126,065

27 Dividends

At the annual general meeting of the shareholders of the Company held on 26 March 2013, the shareholders approved the appropriation of dividends from net profit of 2012 at Baht 2.25 per share, amounting to Baht 1,969 million. The interim dividends of Baht 0.75 per share (total sum of Baht 656.25 million) were paid on 22 August 2012. The remaining dividends of Baht 1.50 per share (total sum of Baht 1,312.50 million) were paid on 24 April 2013.

At the meeting of board of directors of the Company held on 30 July 2013, the board approved the payment of interim dividend for the year 2013 at Baht 0.60 per share (total sum of Baht 525 million). The interim dividends were paid on 28 August 2013.

At the annual general meeting of the shareholders of the Company held on 25 March 2014, the shareholders approved the appropriation of dividends from net profit of 2013 at Baht 1.80 per share, amounting to Baht 1,575 million. The interim dividends of Baht 0.60 per share (total sum of Baht 525 million) were paid on 28 August 2013. The remaining dividends of Baht 1.20 per share (total sum of Baht 1,050 million) were paid on 23 April 2014.

At the meeting of board of directors of the Company held on 29 July 2014, the board approved the payment of interim dividend for the year 2014 at Baht 0.15 per share (total sum of Baht 131.25 million). The interim dividends were paid on 27 August 2014.

28 Financial instruments

Financial risk management and policies

The Group is exposed to risks from changes in market interest rates and in currency exchange rates and from non-performance of contractual obligations by counterparties. The Group uses derivative instruments, as and when it considers appropriate, to manage such risks. The Group does not hold or issue derivative instruments for speculative or trading purposes.

Interest rate risk

Interest rate risk arises from the changing of interest rates in the market which effects net interest expense. The Group manages interest rate risk by using both fixed interest rates and floating interest rates, depending on the market circumstances.

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases, sales and borrowings, which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies.

As at 31 December 2014 and 2013, the Group had assets and liabilities denominated in foreign currencies which were not hedged from foreign currency risk but mitigates this risk by maintaining a balance of financial assets and liabilities denominated in foreign currencies as follows:

Consolidated financial statements				
	US Dollars		Vietnamese Dong	
	2014	2013	2014	2013
	(Unit : thousand Baht)			
Assets denominated in foreign currencies	1,108,125	1,200,085	51,400	-
Less hedged amounts	-	-	-	-
Non-hedged amounts	<u>1,108,125</u>	<u>1,200,085</u>	<u>51,400</u>	<u>-</u>
Liabilities denominated in foreign currencies	1,453,786	1,773,593	-	-
Less hedged amounts	(391,905)	(235,870)	-	-
Non-hedged amounts	<u>1,061,881</u>	<u>1,537,723</u>	<u>-</u>	<u>-</u>
Separate financial statements				
	US Dollars		Vietnamese Dong	
	2014	2013	2014	2013
	(Unit : thousand Baht)			
Assets denominated in foreign currencies	1,100,636	1,122,600	51,400	-
Less hedged amounts	-	-	-	-
Non-hedged amounts	<u>1,100,636</u>	<u>1,122,600</u>	<u>51,400</u>	<u>-</u>
Liabilities denominated in foreign currencies	1,317,837	1,428,781	-	-
Less hedged amounts	(391,905)	(235,870)	-	-
Non-hedged amounts	<u>925,932</u>	<u>1,192,911</u>	<u>-</u>	<u>-</u>

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group follows up to check that customers or counterparties make payment on schedule and takes appropriate action on defaulters. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of borrowings and short-term credit facilities with commercial banks and financial institutions, deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair values - financial assets and financial liabilities

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In determining the fair value of its financial assets and liabilities, the Group takes into account its current circumstances and the costs that would be incurred to exchange or settle the underlying financial instrument.

Cash and cash equivalents, and trade accounts receivable, the carrying values approximate their fair values.

Investments in securities, fair values of marketable securities are estimated based on their quoted market prices. For general investments for which there are no quoted market prices, the reasonable estimates of fair values have been calculated based on the underlying net asset base for such investments that approximate to their carrying values.

Bank overdrafts and short-term loans from financial institutions, the carrying amounts of these financial liabilities approximate their fair values. The carrying amount of long-term loans with floating interest rates approximates their fair values. The carrying amount of long-term loans with fixed interest rates approximates their fair value estimated from the current market rates for borrowings with the same maturity profile.

Although the management uses its best judgment in estimating fair values of financial instruments, estimation methodologies and assumptions used to estimate fair values are inherently subjective. Accordingly, the use of different estimation methodologies and/or market assumptions may have a significant effect on the estimated fair values.

29 Commitments

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Commitments under lease agreements and service agreements				
Within one year	278,089	239,264	231,991	169,587
After one year but within five years	1,166,787	431,884	1,097,364	343,481
After five years	1,156,724	228,040	1,156,724	228,040
Total	2,601,600	899,188	2,486,079	741,108
Other commitment				
Unused and irrevocable letters of credit	5,997	1,671	5,997	-
Commitment for leasehold right of land, construction of installation of machinery of jointly controlled entity	517,445	309,252	-	-
Total	523,442	310,923	5,997	-

The Group has commitments under lease agreements and service agreements in respect of port, land, buildings, copy machines, computers and cars, which have various periods specified in the agreements.

During the year 2014, the Company entered into a tank operations and port service agreement with a company. The Company is committed to payment of service fees as indicated in the agreement for 11 years and 6 months, commencing from July 2014 and expiring in December 2025.

The Company has entered into long-term agreements to purchase raw material for production with a related company and a pipeline service agreement with a company at selling prices calculated according to conditions in the agreement, which are based on market prices. The agreements are for 10 years, terminating in 2024.

Forward exchange contract

As at 31 December 2014, the Company had outstanding forward exchange contracts for purchase of US Dollars 11.9 million and Euro 0.7 million (*31 December 2013: US Dollars 7.2 million for the Group and the Company*), and no outstanding forward exchange contracts for sale.

Other long-term contracts

The Company entered into long-term agreements with two companies to purchase raw material for 13 and 3 years. The prices are agreed in accordance with market price. The agreements expire in 2016 and 2017, respectively.

The Company entered into certain long-term agreements to purchase utilities from certain companies for periods of 10 years to 20 years. The price is agreed in accordance with market price. The agreements will expire during 2015 to 2027.

As at 25 July 2013, the jointly-controlled entity entered into long-term agreement with a certain company in Vietnam to purchase raw materials for period of 17 years.

30 Contingent liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
From non-related parties				
Bank guarantees	<u>1,000</u>	<u>1,338</u>	<u>1,000</u>	<u>1,338</u>

Contingent liability includes bank guarantees relating mainly to duty and others.

31 Capital management

The management of the Group has the capital management policy for which to maintain a strong capital base by emphasis in planning and determining the operating strategies resulting in good business's performance and sustain good cash flows management. In addition, the Group considers investing in projects which have good rate of return, appropriate working capital management, maintain a strong financial position and appropriate investment structure as to maintain sustain future operations of the business and to maintain shareholders, investors, creditors and others interest's confidence.

32 Event after the reporting period

At the meeting of the board of directors of the Company held on 27 January 2015, the board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2014 dividend payment of Baht 0.50 per share, amounting to Baht 437.5 million. The Company paid interim dividend of Baht 0.15 per share in August 2014 as discussed in noted 27. Thus, the final dividend of Baht 0.35 per share was scheduled for payment on 22 April 2015. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 24 March 2015.

33 Other

- a) The Central Administrative Court delivered its judgment to revoke permits issued after the Constitution B.E. 2550 to projects which are on the list of 11 categories of severe impact projects, announced by the Ministry of Natural Resources and Environment on 31 August 2010. Only 1 project which represents a total of Baht 200 million investments belongs to the Company and is now fully compliant with paragraph 2 of Article 67 of the Constitution B.E. 2550. However, in July 2014, the Supreme Administrative Court has revoked the injunction for continuing in the project and in October 2014, the Company obtained a permit from Industrial Estate Authority of Thailand. At the present, the project is able to operate as normal.
- b) During May 2014, the Company has been notified by the Revenue Department to change net loss of promotional privileges for decreasing a partial of loss carried forward for the years 2003 and 2004. However, the Company submitted to an appeal of the change in net loss to the Board of Appeals in June 2014 and is being considered by the Board.

34 Reclassification of accounts

Certain accounts in the 2013 financial statements have been reclassified to conform to the presentation in the 2014 financial statements as follows:

	Consolidated financial statements			Separate financial statements		
	Before Reclassification	Reclassification	After Reclassification	Before Reclassification	Reclassification	After Reclassification
Statement of financial position						
Trade and other receivables	4,381,401	9,802	4,391,203	3,411,640	(13,459)	3,398,181
Other current asset	157,525	(13,969)	143,556	113,919	9,292	123,211
Trade and other payables	4,910,811	(27,798)	4,883,013	3,403,636	(26,022)	3,377,614
Other current liabilities	36,550	23,631	60,181	8,280	21,855	30,135
		(8,334)			(8,334)	

The reclassifications have been made in order to comply with the classification adopted by the parent company.

35 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

A number of new and revised TFRSs have been issued but are not yet effective and have not been applied in preparing these consolidated financial statements. Those new and revised TFRSs that may be relevant to the Group's operations which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group does not plan to adopt these TFRSs early.

TFRSs	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 11 (revised 2014)	Construction Contracts	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TAS 40 (revised 2014)	Investment Property	2015
TFRS 2 (revised 2014)	Share-based Payment	2015
TFRS 3 (revised 2014)	Business Combinations	2015
TFRS 4 (revised 2014)	Insurance Contracts	2016
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	2015
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities	2015

TFRSs	Topic	Year effective
TSIC 15 (revised 2014)	Operating Leases - Incentives	2015
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures	2015
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services	2015
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs	2015
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2015
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 12 (revised 2014)	Service Concession Arrangements	2015
TFRIC 13 (revised 2014)	Customer Loyalty Programmes	2015
TFRIC 14	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2015
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate	2015
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners	2015
TFRIC 18 (revised 2014)	Transfers of Assets from Customers	2015
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	2015

The Group has made a preliminary assessment of the potential initial impact on the consolidated financial statements of these new and revised TFRSs and expects that there will be no material impact on the consolidated financial statements in the period of initial application.



A black and white photograph of an industrial facility, likely a refinery or chemical plant. The image shows several tall distillation columns, a complex network of pipes, and structural steel frameworks. The foreground features a series of horizontal pipes and a metal railing, suggesting a walkway or platform. The background is a clear sky.

Business Structure, Management, and Corporate Governance

Business Structure

Characteristics of Business Operations

Thai Plastic and Chemicals Plc. also known as TPC, together with its subsidiaries, is a Thai corporate entity in the PVC industry and other related businesses. The Company is the leader in PVC production in ASEAN with manufacturing bases in three countries, namely Thailand, the Socialist Republic of Vietnam, and the Republic of Indonesia.

Founded in 1966, the Company pioneered the PVC production in Thailand, and became the first PVC manufacturer in Vietnam paving way for the establishment of a joint venture in the country in 1995. The Company is committed to produce high-quality PVC and develop new products from PVC. These products will contribute to a higher standard of living in the ASEAN region and will serve as replacements for natural wood in the construction industry.

At the end of 2014, TPC's total production capacity of PVC resin amounted to 886,000 tons per year - the largest in ASEAN.

The PVC industry is TPC's main business. A certain amount of investment has been made in downstream businesses that make use of PVC as their raw material,

such as the manufacture of PVC compound, PVC pipe and fittings, and other finished products made from PVC. The purposes of such investment are to add value to the Company's PVC production, enhance the stability of PVC prices, and develop new PVC-based products for the market, thus increasing the demand for PVC itself.

The Company aims to maintain its leadership in the regional PVC industry by expanding its investment in the region, increasing its raw material production capacity to keep pace with the demand for raw materials used in production, and making its production as integrated as possible. The Company will continue to consider suitable kind and size of investments related to downstream businesses in the PVC industry to encourage the consumption of new uses for PVC. The Company strives to create returns on its business that accords to its commitment for a strict protection of the environment. Other commitments include ongoing research and development, personnel development, activities of benefit to society, and good corporate governance. The aims of all these are to form a strong business capable of competing in the world market and generating sustainable growth.

Revenue Structure

Most of the Company's revenue is derived from the manufacture and sale of PVC resin. Other sources of income include downstream businesses, such as the manufacture and sales of PVC compound, PVC pipes and fittings, and finished products made from PVC. Details of the Company's revenue structure may be seen below:

Revenue from Sales	2014		2013		2012	
	Million Baht	%	Million Baht	%	Million Baht	%
1. PVC Business	21,405	67	22,634	70	21,125	71
2. Related to PVC Business	9,544	30	8,930	28	7,921	27
3. Others	921	3	807	2	670	2
Total	31,870	100	32,371	100	29,716	100

Securities and Shareholders

The Company's Securities

- Registered Capital : 875,000,000 Baht.
- Issued and fully paid share capital: 875,000,000 Baht, comprising 875,000,000 ordinary shares.
- Ordinary shares at 1 Baht par value.
- The Company **does not** issue other types of shares, except from ordinary shares.

Shareholder Structure

1) First 10 major shareholders as of December 30, 2014

Number	Shareholder	No. of Shares	% of Shares
1.	The Siam Cement Public Company Limited	399,392,220	45.65
2.	SCG Chemicals Co., Ltd.	394,354,674	45.07
3.	Social Security Office (2 cases)	12,142,800	1.39
4.	AIA COMPANY LIMITED - APEX	11,348,500	1.30
5.	AIA COMPANY LIMITED - AIA D-PLUS	5,200,000	0.59
6.	AIA COMPANY LIMITED - TIGER	5,139,900	0.59
7.	Charoon Euarchukiati Foundation	3,007,750	0.34
8.	Social Security Office (4 cases)	1,826,350	0.21
9.	BANK JULIUS BAER & CO. LTD, SINGAPORE	1,684,000	0.19
10.	Vibhavudhi Co., Ltd.	1,452,500	0.17

2) The majority of shareholders are a group whose movement has a marked influence on the establishment of corporate policy and strategy. (As of December 30, 2014)

Number	Shareholder	No. of Shares	% of Shares
1.	The Siam Cement Public Company Limited	399,392,220	45.65
2.	SCG Chemicals Co., Ltd.*	394,354,674	45.07

Remark: * SCG Chemicals Co., Ltd. is a subsidiary in which the Siam Cement Public Company Limited owns 100% of the shares.

- Among major shareholders, the Company **does not** have any shareholding agreement, which might affect its management.

- Even if the mentioned majority of shareholders are a group whose movement has a marked influence on the establishment of corporate policy and strategy, the Company operates its business under the good corporate governance and realize its responsibility in protecting the interests of all shareholders with respect to their rights and encourage them to receive fair and equal treatments.

3) Minor Shareholders (As of February 12, 2014)

The Company had 2,470 minority shareholders holding 9.31% of the paid-up capital which did not meet the free-float requirements of SET. However, the Company is currently in the process of discussing with every Strategic Shareholders requesting each of them to reduce its shareholding and distribute some of its shares in the Company to other minority shareholders so that all minority shareholders will hold not less than 15% of the paid-up capital of the Company.

4) The Company has imposed limitations on the number of shares which can be held by the foreigners at 49% of fully paid-up capital. As of December 30, 2014, the Company declared that 2.70% of fully paid-up capital shares are held by the foreigners.

Other securities issued : None

Dividend Policy of the Company and its Subsidiaries

The Company has a dividend payout policy to shareholders at 40% - 50% of the consolidated net profit after deducting annual income tax and the legal reserve. Changes may occur due to operating results, financial position, investment plan and the general economic situation. In 2014, the consolidated net profit amounted to 849 Million Baht, resulting in the retained earnings for appropriation at the ordinary general meeting of shareholders on March 24, 2015. The Board resolved to declare the annual dividends for the year 2014 at 0.50 Baht per share or equal to 52% of consolidated net profit.

For dividend policy of subsidiaries, the subsidiaries take into consideration their operating results, investment plan, financial structure and position and liquidity, with no policy of transferring the interests.

Detail of Dividend Distribution in the past 5 years

Year	Interim dividends (Baht/Share)	Final dividends (Baht/Share)	Annual dividends (Baht/Share)	Dividends payout ratio on net profit (%)
2010	0.50	0.90	1.40	66
2011	0.70	0.70	1.40	65
2012	0.75	1.50	2.25	59
2013	0.60	1.20	1.80	60
2014	0.15	0.35	0.50	52

Remark: *The Board of Director resolved to propose the annual general meeting of shareholders on March 25, 2015 to approve the final dividend distribution at 0.35 Baht per share.

History of Company and Major Developments

1966

- TPC registered as a limited company under the name “Thai Plastic and Chemicals Company Limited” (TPC) for the production and distribution of PVC resin and related businesses.

1971

- The first PVC plant in Thailand, in Samut Prakarn, commenced its commercial production.

1972

- Mitsui & Co., Ltd. of Japan and Thai Asahi Chemical Products Co., Ltd. invested in the Company and signed an agreement for technological cooperation with Mitsui Toatsu Chemicals Inc. of Japan.

1984

- The Company registered common shares as a registered company in the Stock Exchange of Thailand under the name TPC.
- The Company joined the state's Eastern Seaboard Industrial Project as a founding member and invested in a 5.40% share of National Petrochemical Co., Ltd. It became one of the four downstream purchasers of ethylene from National Petrochemical.

1989

- The Company established Riken (Thailand) Co., Ltd. as a joint venture with Riken Vinyl Industry Co., Ltd., Mitsui & Co., Ltd. of Japan and Mitr Siam International (Thailand) Co., Ltd. to produce special-grade PVC compound for Japanese companies with production facilities in Thailand, and for export, holding 35% of share capital.

1990

- Rayong Plant, the Company's second PVC plant, at Map Ta Phut Industrial Estate, started its commercial production.
- The Company established Siam Stabilizers and Chemicals Co., Ltd. as a joint venture with Mizusawa Industrial Chemicals Co., Ltd. and Mitsui & Co., Ltd. of Japan and Mitr Siam International (Thailand) Co., Ltd. to produce compound additives that enhance the capacity of PVC to withstand high temperatures, holding 60% of share capital.

1992

- His Majesty the King and Her Royal Highness Princess Chakri Sirindhorn graciously presided over the official opening of the Group 1 Petrochemical Industry (in which the Company is one of the four companies) at Map Ta Phut Industrial Estate.

1993

- The Company established a branch office in Ho Chi Minh City, Socialist Republic of Vietnam, to gather market

information with an eye to expanding the Company's PVC business.

- The Company established TPC-OXY Co., Ltd. as a joint venture with Occidental Chemical Corporation of the USA for the production and distribution of PVC paste resin, holding 51% of share capital.

1994

- The Company acquired public company status under the name “Thai Plastic and Chemicals Public Company Limited”.
- The Company established Viet-Thai Plastchem Co., Ltd. as a joint venture with Vietnam Plastic Corporation (VinaPlast) of the Socialist Republic of Vietnam for the production and distribution of PVC compound in Vietnam, holding 66.28% of share capital.

1995

- The Company established Mitsui Vina Plastic and Chemical Corp., Ltd. as a joint venture with Mitsui & Co., Ltd., Mitsui Toatsu Chemicals Inc. of Japan, Vietnam Plastic Corporation (VinaPlast) and Fertilizers & Basic Chemical Corp., Ltd. (Ferchemco) of Vietnam for the production and distribution of PVC resin in Vietnam, holding 24% of share capital.

1996

- The Company and SCG Chemicals Co., Ltd. established PT. Siam Maspion Polymers (SMP) as a joint venture with the Maspion Group of Indonesia for the production and distribution of PVC resin in Indonesia, holding 20% of share capital.
- The Company invested in Rayong Olefins Co., Ltd. with a number of companies in the petrochemical industry for the production and distribution of manufacture and distribute ethylene, holding 7% of share capital.

1998

- Mitsui Vina Plastic and Chemical Corp., Ltd., the first PVC plant in the Socialist Republic of Vietnam, started its commercial production.
- The Company established Total Plant Service Co., Ltd. (TPS) to provide engineering design, repair and maintenance, production process design, and environmental management services.

1999

- The Company acquired entire share capital in Nawaplastic Industry (Saraburi) Co., Ltd. and Nawaplastic Industry Co., Ltd. which manufacture and distribute PVC pipe and fittings and finished PVC products, as a base for developing new finished PVC products and markets for the construction industry, and thereby increasing the use of PVC in Thailand.

- The Company increased its share proportion in Viet-Thai Plastchem Co., Ltd. by converting its share of liability into capital, raising its ownership from 66.28 to 72.49%.

2000

- The Company increased its proportion of share capital held in Mitsui Vina Plastic and Chemical Corp., Ltd. from 24 to 70%. The name of the Company was also changed to TPC Vina Plastic and Chemical Corp., Ltd. (TPC Vina).

2001

- The Company acquired all share capital in TPC-OXY Co., Ltd., and changed the name to TPC Paste Resin Co., Ltd.

2003

- A subsidiary of the Company established Nawa Intertech Co, Ltd. for the production and distribution of molds in Thailand.

2004

- The Siam Cement Public Company Limited offered to purchase common shares of the Company from other shareholders, increasing its shares in the Company from 36.27 to 39.61%.
- A subsidiary of the Company established ChemTech Co., Ltd. for the production and distribution of XLPE compound in the Socialist Republic of Vietnam.
- The Company invested, through a subsidiary, in the purchase of 25% common shares of Interplastic Co., Ltd. which manufactures PVC pipe in the People's Democratic Republic of Laos.

2005

- The Company and The Siam Cement Public Company Limited acquired all common shares of PT. Siam Maspion Polymers (SMP), and changed its name to PT. TPC Indo Plastic and Chemicals (TPC Indo), indirectly increasing the Company's share from 20 to 40%.

2006

- A subsidiary of the Company established Minh Thai House Component Co., Ltd. together with a local investor for the production and distribution of Finished PVC products for construction purposes in the Socialist Republic of Vietnam. The subsidiary of the Company holds 60% of all shares.

2008

- A subsidiary of the Company joined local Cambodian investors in the establishment of Nawacam Co., Ltd. for the production and distribution of PVC pipe and fittings. Its shares in the new venture is 40%.
- The Company acquired more shares through a registered capital increase for Minh Thai House Component Co., Ltd., raising its shares from 60 to 80%.

- The Company also joined the first integrated petrochemical project in Vietnam with Vina SCG Chemicals Co., Ltd., Vietnam Oil & Gas Group, Vietnam National Chemical, and QPI Vietnam Limited Corporation with 18% of all shares.

- Total Plant Service Co., Ltd. changed its nature to a Holding Company.

- The PVC production facilities at Samut Prakarn closed down.

2010

- TPC Vina Plastic and Chemical Corp., Ltd. (TPC Vina) in Vietnam began its commercial production. PVC plant, Line 2 production capacity is 90,000 tons per year as of July 2010.

2012

- The Siam Cement Public Company Limited which owns 100% of the shares in SCG Chemicals Co., Ltd. acquired the shares from major shareholders on January 30, 2012. As a result, SCC and its subsidiaries increased the proportion of share capital from 45.64% to 75.76% and also submitted the form of tender offer to other shareholders on February 9, 2012. On December 31, 2012, its shares in the Company increased to 90.67%.
- The Company collaborated with Siam Cement Public Company Limited and SCG Chemicals Co., Ltd. (collectively referred to as SCG) to achieve maximum benefit. The operations on marketing and business support, as well as internal audit of the Company, were transferred to SCG. For internal audit, reports still remained to be submitted directly to the Audit Committee to maintain their independence.

2013

- All work, both domestic and international, such as sales, logistic, and research and development was performed in collaboration with SCG with the primary objective of joining powers in the level of strategy, operations and supports. The company enhanced its work performance by sharing knowledge and utilization of shared resources, as well as knowledge and skills, synchronization of processes, and better communication.
- The headquarters was relocated from Rajanakarn Building, South Sathorn Road, Yannawa, Sathorn, Bangkok, to SCG 100th Year Building of Siam Cement Public Company Limited. Siam Cement Road, Bangsue, Bangkok.

Risk Factors and Risk Management

Nowadays, business is challenged by rapid changes, and increase in uncertainties resulting in an increase of risk from both internal and external factors. Therefore, all departments must be actively involved in risk management that will ultimately lead to sustainable business development. In 2014, the Company has followed risk management policy, established by the Risk Management Committee through the determined procedures and plans to comply with the international standard of The Committee of Sponsoring Organizations of the Treadway Commission (COSO), or the ISO-31000 Standard, under the governance and risk management revision of the Audit Committees continuously reported to the Board of Directors.

1. Business Risks

1.1 Scarcity of Raw Materials Used in PVC Production

As the demand and supply of raw materials has changed, the Company managed to reduce the risk of shortages of key raw materials, including EDC, ethylene, and VCM to meet the needs of both domestic and overseas plants in order to keep producing PVC continuously as planned for production and sales.

Risk Management To ensure the continuous production and sales of PVC according to the plan, mid and long term procurement contracts with raw material traders are always supplemented by spot purchase including appropriate management of raw material inventory to reduce risk. Moreover, raw material transportation contracts are also made to reduce risk from lack of raw material transportation ship.

1.2 Volatility of Prices for Raw Materials Used in PVC Production

The Company's main raw materials are factors that affect business operations. Whether it is EDC, VCM, or ethylene, the change of their prices was caused by global supply and demand, as well as the adjustment of prices of crude oil and natural gas, which are major raw materials in the EDC, VCM, and ethylene production.

Inconsistency between the change of main raw materials and the prices of PVC products will affect the profitability of the Company.

Risk Management To ensure that the Company can adapt to meet the changing market scenario, the Company is constantly monitoring the global demand and supply to evaluate prices of basic raw materials and PVC to adjust sales and production plans accordingly in order to achieve optimum efficiency. Regarding raw material purchase contracts, the Company will negotiate for the best possible prices and conditions to obtain the competitive raw material costs, as well as closely updating new production technologies that affect the price change in PVC industry to ensure the Company's capability in prompt adaptation.

1.3 Volatility of Prices for PVC Products

Prices for PVC products, whether sold in Thailand or abroad, rise and fall following the global market price cycle, caused by the forces of supply and demand, raw material price fluctuation, and competition between domestic producers or imports of foreign goods. If the adjustment of PVC product price does not comply with cost of production, profitability will be changed.

Risk Management The Company closely and continuously monitors market conditions, as well as domestic and international supply and demand in order to determine the optimum sales strategy. It focuses on adaptation to maintain the competitive capability by increasing the growth of products with high value added HVA to lessen the effect from normal-graded PVC Resin price fluctuation.

1.4 Sale of PVC

As PVC is manufactured into finished products that are used on daily basis in different forms such as pipes, wiring harnesses, artificial leathers, IV tubes and bottles, the growth

direction of PVC product consumption is consistent to the global and domestic economy, especially the growth in construction industry both for real estates and public utilities that generate main demand of PVC products.

Risk Management In order to reduce the risk of PVC sales, the Company has invested in the PVC related downstream businesses to increase production capacity of PVC compound and finished products by having production bases in Thailand, Indonesia, Vietnam, Laos, and Cambodia. Moreover, the Company has a policy to build the customer base in the export market that covers many regions, within and outside ASEAN, to reduce the risk of negative economic impact from one particular country.

1.5 New Investment

In the Company's every investment project, important hypothesis will be made, which may change from the study time, such as raw material buying and product selling prices, machinery and construction expenses, and laws and regulations of the external agencies that the Company has to directly and indirectly deal with. Such factors may affect the projects in many aspects.

Risk Management The Company orders the project owner units to assess and manage the risks in the procedure of project possibility study by following all required processes and methods, as well as preparing control and risk reduction plan for the optimum effectiveness of the projects.

1.6 Laws, rules, regulations and standard compliance

In running a business, the Company has to comply with laws, product standards and other regulations both domestically and internationally, as well as regulations on environment, safety, employees' and stakeholders' health. Incompliance will negatively affect the Company's operation.

Risk Management The Company sets up a unit to be directly responsible in this matter by follow up the changes and tendency of law,

product standards and other regulations in order for the Company to receive correct, up-to-date information and make appropriate plans consistent to the Company's long-term strategies.

2. Financial Risks

2.1 International Exchange Rates

The Company's revenues and expenses are all denominated in large quantities of foreign currencies both directly and indirectly (In reference to domestic sale prices and purchase price of raw material, Ethylene, in US dollars). Therefore, if the fluctuation of currency exchange rate is high, it will result in the higher risk of currency exchange and also lead to a significant impact on the Company's operations either positively or negatively, including the ability to generate profit and cash flow of the Company.

Risk Management The Company continuously estimates the risk of currency exchange to monitor economic and financial situations in order to assess the risk and impact of foreign exchange. It also uses the method called "Natural Hedge"; as well as buying foreign currency forward contracts with the appropriate financial instruments such as Forwards and Swaps to manage exposure to the risk of fluctuations in exchange rates that are expected to occur.

2.2 Interest Rate Risk

The Company plans to expand its business both domestically and internationally, requiring additional investment. Currently, the Company has a low risk of interest rate as it uses cash flow from operations to expand its investments.

Risk Management The Company has regularly reviewed its debt structure by considering the trends of interest rates over time, as well as closely tracking the direction of interest rates of banks and financial institutions in order to plan its financial administration correctly.

2.3 Liquidity Risk

The Company requires sufficient liquidity to hedge the risk of inability to pay its obligations within the prescribed period. Therefore, it requires a fund management plan which is sufficient and appropriate to business circumstances.

Risk Management The Company has continually managed its liquidity by considering and tracking cash flow from income and expenses. It also provides sufficient credit facilities to meet the demand in order to plan its liquidity management correctly.

3. Operational Risks

3.1 Running Machinery

PVC production is a large petrochemical industry which requires high level of technology and expertise. It is vulnerable to various types of malfunctions, dysfunctional machineries or equipment leading to unplanned shutdowns because of several reasons, failure of utilities, and other uncontrollable circumstances. Every unplanned shutdown eliminates sales opportunity and increases cost.

Risk Management “Total Productive Maintenance” was adopted and under continuous modification. TPM was applied to all production lines covering all the machineries in every factory, such as increasing storage of spare parts in important machines to prevent interruption on production, adding more preventive maintenance program, and also adopting Product Liability (PL Law) system to inspect, assess and control the procedures to prevent quality and customer safety effects. Management of change system is set up for machinery and production procedure changes (Management of Change) to control and prevent problems that may occur to machinery and production procedure since the beginning of designing process.

3.2 Safety and Environment

The Company's production plant is located in Map Ta Phut Industrial Estate. Therefore, strict measures for environmental control and security are laid down. The operations of the Company must contain safety, health and environmental management systems with continuous improvement.

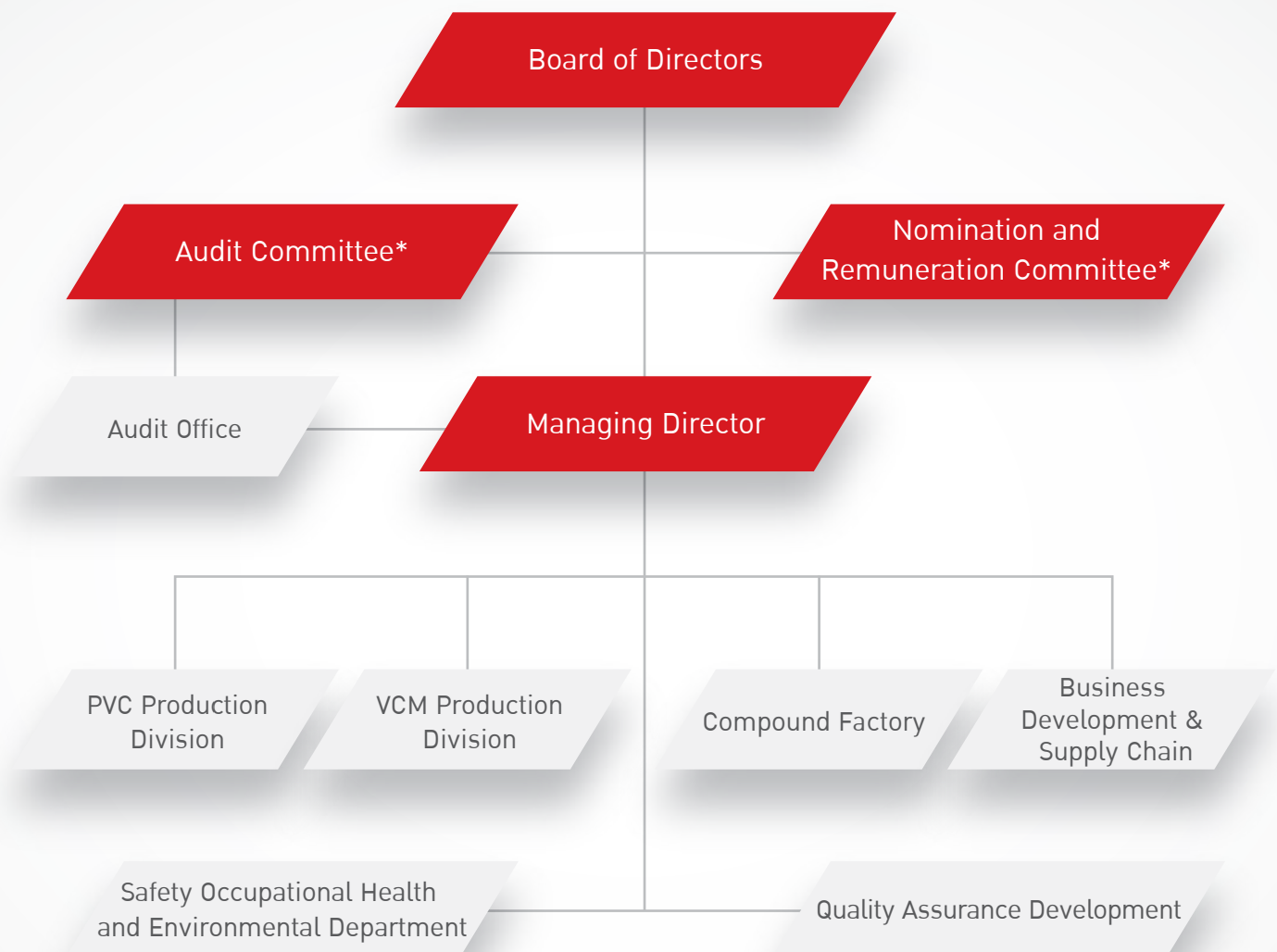
Risk Management In all operations, the Company always takes safety and environment into account. It has continuously invested on the development of machinery and equipment used in the manufacturing process and set up a working group to manage and closely monitor the processes, to ensure that its production process will not cause any problem or effect to employees, business partners, surrounding communities and the environment. In addition, the management process of the Company has been continuously made to comply with the ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), OHSAS 18001 (Occupational Health and Safety System) that has been continuously carried out, and ISO 50001 (Energy Management System) which regularly monitors energy consumption data storage.

Thanks to its continuous effort to improve the environment, the Company won Green Industry Award: GI-3 from the Ministry of Industry and it has a plan to leverage to Green Industry: GI-4 to create Green Culture in the organization. In order to ensure safety, the Company has introduced Process Safety Management, an international standard, with the global leading consultancy firm on security aspect namely DuPont to audit and consult for development in terms of creating a culture of safety and improving machinery and equipment to provide maximum security. It ensures that all activities are conducted with systematic management and will not cause any impact to the surrounding communities and the environment.

Management

Management Structure

Organizational Structure (as of January 27, 2015)



Remark : * The resolution of the Board's meeting on 27 January 2015 was to expand the scope of work of the Remuneration Committee which now covers the nomination of proper persons for the position of director and sets the director nomination processes, and to change its name to Nomination and Remuneration Committee, and to expand the scope of work of the Audit Committee from one which only verifies the Company's good corporate governance, to one which is also responsible for providing advice for the development of up-to-date best practices in corporate governance.

This management structure does not reflect the level of importance or compensation of the people in the positions.

1. The Board of Directors

The Board of Directors of the Company consists of 9 persons as follows:

	Name-Surname			Position***
1	Mr. Cholanat	Yanaranop		Chairman
2	Mr. Dhep	Vongvanich		Director and Chairman of Nomination and Remuneration Committee
3	Mr. Prawit	Ninsuvannakul		Independent Director and Chairman of Audit Committee
4	Mr. Roongrote	Rangsiyopash		Director
5	Mr. Somchai	Kongsala		Independent Director Member of Audit Committee and Nomination and Remuneration Committee
6	Mr. Somchai	Wangwattanapanich*		Director and Member of Nomination and Remuneration Committee
7	Mr. Apiporn	Pasawat**		Independent Director and Member of Audit Committee
8	Mr. Aviruth	Wongbuddhapitak		Director
9	Mr. Suchai	Asvathavornvanit		Director and Managing Director

Remark: * Mr. Somchai Wangwattanapanich was appointed at the meeting of the Board of Directors on 18 November 2014 to be a director and member of the Remuneration Committee instead of Mr. Nitya Pibulsonggram.

** Mr. Apiporn Pasawat was appointed at the meeting of the Board of Directors on 29 July 2014 to be a member of the Audit Committee.

*** As of January 27, 2015

The Composition of the Board of Directors

The Board of Directors consists of people with knowledge, skills, and experiences in related business and industries. They understand the situations and factors that have implications for the business operation, play an important role in freely establishing together with executives, the Company's policies, including financial policy, risk management, and management of the overall corporate image; short and long-term operation plans; audit, check, and assess the Company's operations and executive operation result as planned.

Every Director has the authority to sign on behalf of the Company under the condition that two directors sign together and affix the seal of the Company when signing for or on behalf of the Company.

Eight Directors are without administrative authority.

One Director is with administrative authority, that being the Managing Director.

Three Independent Director, which are Mr. Prawit Ninsuvannakul, Mr. Somchai Kongsala, and Mr. Apiporn Pasawat have all the characteristics required based on the directive of the Capital Market Commission.

Table of Positions in Sub - committee**

	Directors			Audit Committee (3 persons)	Nomination and Remuneration Committee (3 persons)
1	Mr. Cholanat	Yanaranop		-	-
2	Mr. Dhep	Vongvanich		-	Chairman
3*	Mr. Prawit	Ninsuvannakul		Chairman	-
4	Mr. Roongrote	Rangsiyopash		-	-
5*	Mr. Somchai	Kongsala		Director	Director
6	Mr. Somchai	Wangwattanapanich		-	Director
7	Mr. Aviruth	Wongbuddhapitak		-	-
8*	Mr. Apiporn	Pasawat		Director	-
9	Mr. Suchai	Asvathavornvanit		-	-

Remark * Independent Director

** As of January 27, 2015

Meeting of the Board of Directors

The Board has to regularly participate in the meeting of the Board of Directors to acknowledge and collectively make a decision on matters pertaining to the Company's business operations. The meetings are held at least six times per year with an advance meeting schedule set and disseminated to each Director at the beginning of the year, to provide them ample time to arrange for their participations. Also, there may be special meetings to consider the urgent matter.

In the meeting, Chairman and Managing Director together specify the meeting agenda and consider the matters in the agenda for the Board's meeting. Each Director can suggest the matter for consideration to include in the agenda.

In 2014, there were a total of seven meetings: six were scheduled in advance and one was a special meeting. During each meeting, meeting agenda documents were sent to each Director seven days prior to the meeting date in order to allocate enough time for the Directors to study the matters.

For each consideration, Chairman who also acts as the meeting's Chairman has to allocate enough meeting time to allow the Directors to express their opinions independently. Resolutions are passed by a majority vote, wherein one director is eligible for one vote. A director with a vested interest in the issue under consideration shall be excused and/or abstain from voting. In case of a tie, the Chairman of the meeting is entitled to one additional vote to be cast.

In the Board's meeting, the Company's management participates in the meeting to provide useful information and to directly acknowledge the policy for effective implementation, except in some agendas where the meeting is limited to only the Board or Directors without administrative authority with regards to having freedom in decision-making.

Moreover, the Board of Directors pays attention to managing the conflict of interest of the related parties carefully, fairly and transparently. A director with a vested interest in the issue under consideration shall be excused from voting.

At the end of the meeting, the Company secretary's duties are to prepare the minutes of the shareholder meeting and the Board of Directors meeting, propose the meeting to adopt the minutes in the first agenda of the following meeting of the Board, propose the Chairman of the Board of Directors for signature, and follow up if the resolutions of the Meeting are well implemented. Directors may make comments, corrections to ensure maximum accuracy and completeness. Approved minutes will be systematically kept as the Company's confidential documents at the secretary office and in electronic form together with attached documents for each meeting, so that they can be easily located and archived.

Directors without administrative authority will hold a meeting in the absence of the management, to consider the Succession Plan and Directors' operational results, and to discuss the notable management problems, for the Company's benefits, and to allow them to express their opinions independently.

The Attendance of the Directors in 2014

(Unit: number of time)

Directors			Directors	Audit Committee	Remuneration Committee****	2014 Annual General Meeting of Shareholders
			(9 persons) Total 7 times per year	(3 persons) Total 8 times per year	(3 persons) Total 4 times per year	(9 persons) on March 25, 2014
1	Mr. Cholanat	Yanaranop	7/7			1
2	Mr. Dhep	Vongvanich	6/7		4/4	1
3	Mr. Nit	Pibulsonggram*	2/3	1/3	1/2	
4	Mr. Prawit	Ninsuvannakul	7/7	8/8		1
5	Mr. Roongrote	Rangsiyopash	6/7			1
6	Mr. Somchai	Kongsala	6/7	8/8	4/4	1
7	Mr. Apiporn	Pasawat**	6/7	4/4		1
8	Mr. Aviruth	Wongbuddhapitak	7/7			1
9	Mr. Suchai	Asvathavornvanit	7/7			1
10	Mr. Somchai	Wangwattanapanich***	0/0		0/0	

Remark: * Mr. Nitya Pibulsonggram passed away on 24 May 2014.
 ** Mr. Apiporn Pasawat was appointed at the meeting of the Board of Directors on 29 July 2014 as a Member of Audit Committee.
 *** Mr. Somchai Wangwattanapanich was appointed at the meeting of the Board of Directors on 18 November 2014 as a Director and member of Remuneration Committee instead of Mr. Nitya Pibulsonggram.
 **** The meeting of the Board of Directors on 27 January 2015 had the resolution to expand the scope of work of the Remuneration Committee which now covers nomination and to rename it as the Nomination and Remuneration Committee.

Biographies of Directors

Mr. Cholanat Yanaranop

Age 56 Years

Position

Chairman

Date of First Election as Director

28 October 2005

Education/Training

Master's Degree, Chemical Engineering, Imperial College, London, UK

Bachelor's Degree, Environmental Chemical Engineering (Second Class Honors), Salford University, Manchester, UK

Advanced Management Program (AMP), Harvard Business School, USA

Director Training

Director Accreditation Program (DAP) 39/2005, Thai Institute of Directors Association

Director/Executive Position in Listed Companies

Since 2011 Commissioner, PT Chandra Asri Petrochemical Tbk, Indonesia

Top Executive of The Siam Cement Public Company Limited

Since 2005 President, SCG Chemicals

Since 2004 Senior Vice President, SCG

Other Present Positions in Other Companies/Businesses/Organizations

Being Chairman and Director of the major shareholders' (SCG) subsidiaries, associates and other companies which are non-listed as assigned.

Since 2006 Director, Petroleum Institute of Thailand

Since 2009 Advisor of the Thai Institute of Chemical Engineering and Applied Chemistry

Since 2013 President, Community Partnership Association

Five-Year Past Working Experience and/or Important Positions

2005-2010 Director, PTT Chemical Public Company Limited

2007-2008 President, the Thai Institute of Chemical Engineers and Applied Chemistry

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Dhep Vongvanich

Age 68 Years

Position

Director and Chairman of the Nomination and Remuneration Committee

Date of First Election as Director

18 April 1996

Education/Training

Bachelor's Degree, Civil Engineering, Chulalongkorn University

Executive Development Program, International Management Development (IMD), Switzerland

International Senior Management Program (ISMP), Harvard Business School, USA

Director Training

None

Director/Executive Position in Listed Companies

Since 2008 Director, Crown Seal Public Company Limited

Other Present Positions in Other Companies/Businesses/Organizations

Since 2006 Advisor to the President & CEO, The Siam Cement Public Company Limited

Five-Year Past Working Experience and/or Important Positions

1986-1994 Managing Director, Siam Sanitaryware Co., Ltd.

1995-1996 Managing Director, Siam Fiber Tile Co., Ltd.

1996-1998 General Manager, Thai Plastic and Chemicals Public Company Limited

1998-2005 Managing Director, Thai Plastic and Chemicals Public Company Limited

1998-2005 Director, National Petrochemical Public Company Limited

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Prawit Ninsuvannakul

Age 71 Years

Position

Independent Director and Chairman of the Audit Committee

Date of First Election as Director

9 December 1999

Education/Training

Ph.D., Accounting, Ph.D. University of Illinois at Urbana-Champaign, USA

Master's Degree of Accounting Science, University of Illinois at Urbana-Champaign, USA

Bachelor's Degree in Business Administration (B.B.A.), Accounting, Chulalongkorn University

Certified Public Accountant (C.P.A)

Director Training

Role of the Chairman 2000 Program (RCP) 1/2000, Thai Institute of Directors Association

Director Accreditation Program (DAP) 6/2003, Thai Institute of Directors Association

Director Certification Program (DCP) 42/2004, Thai Institute of Directors Association

Audit Committee Program (ACP) 6/2005, Thai Institute of Directors Association

Chartered Director Class 3/2008, Thai Institute of Directors Association

Director Forum 2/2008, Thai Institute of Directors Association

Audit Committee: Getting Up to Speed, Thai Institute of Directors Association

Current Issue Seminar 4/2008 Getting Ahead of the Curve: Understanding the Implications, Thai Institute of Directors Association

Work Shop 2/2009 Developing and Implementing A Code of Ethics, Thai Institute of Directors Association

Director Forum 3/2010 CSR Index and Corporate Governance Development of Thai Listed Companies, Thai Institute of Directors Association

Role of the Nomination and Governance Committee (RNG) 3/2012

Director/Executive Position in Listed Companies

Since 2009 Director, Independent Director, and Chairman of the Audit Committee, Nontavet Hospital Public Company Limited

Other Present Positions in Other Companies/Businesses/Organizations

Since 1980 Chairman, Ninsuvan Management Consultants Co., Ltd.

Since 1994 Director, Finance and Property Committee, Suranaree University of Technology

Director, Finance and Property Committee, Mae Fah Luang University

Director, Finance and Property Committee, Walailak University

Since 1997 Director, Fund Management Committee, King Prajadhikok's Institute

Since 2000 Director, Internal Audit Development for Civil Service, Ministry of Finance

Since 2001 Chairman of the Sub-committee, to set up Professional Ethics for Accountants, Federation of the Accounting Profession

Director, Performance Evaluation of State Enterprise Committee, Ministry of Finance

Since 2003 Director, Government Accounting Standards and Policies, The Comptroller General's Department, Ministry of Finance

Since 2005 Honorable Committee Public Sector Audit and Evaluation Committee, The Prime Minister's Office

Chairman, Public Sector Audit and Evaluation Sub-Committee, Southern Province Group, The Prime Minister's Office

Since 2009 Honorable Committee the Development of Private Higher Education Institutions, Ministry of Education

Five-Year Past Working Experience and/or Important Positions

Dean, Faculty of Business Administration, National Institute of Development Administration (NIDA)

Director of NIDA Consulting Center

Associate Dean, Faculty of Commerce and Accountancy, Chulalongkorn University

Head of Department of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University

Chairman of Accountancy Doctoral Ph.D. Curriculum, Chulalongkorn University

Director and Chairman of the Audit Committee Krung Thai Bank Public Company Limited

Director and Member of the Audit Committee, MCOT Public Company Limited

Director and Member of the Audit Committee, Port Authority of Thailand

Director Petroleum Authority of Thailand

Assistant Professor, Chulalongkorn University

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Roogrote Rangsiyopash

Age 52 Years

Position

Director

Date of First Election as Director

30 October 2012

Education/Training

Master's Degree of Business Administration, Harvard Business School, USA

Master's Degree of Engineering, Industrial Engineering, University of Texas (Arlington), USA

Bachelor's Degree of Engineering, Mining, Chulalongkorn University

Director Training

Director Accreditation Program (DAP) SCC/2004, Thai Institute of Directors Association

Director/Executive Position in Listed Companies

Since 2011 Chairman, and Chairman of the Executive Committee, Thai British Security Printing Public Company Limited

Top Executive of the Siam Cement Public Company Limited

Since 2011 President, SCG Paper

Since 2014 Executive Vice President, SCG and Member of CSR Committee for Sustainable Development

Other Present Positions in Other Companies/Businesses/Organizations

Being Chairman and Director of the major shareholders' (SCG) subsidiaries, associates and other companies which are non-listed as assigned.

Since 2013 Director, Giga Impact Initiative Board (GII Board), National Science and Technology Development Agency (NSTDA)

Five-Year Past Working Experience and/or Important Positions

2005-2010 Director, PTT Chemical Public Company Limited

2005-2010 Vice President, The Siam Cement Public Company Limited

2008-2011 Director, Thai-German Ceramic Industry Public Company Limited

2010-2011 Director, Quality Construction Products Public Company Limited

2013-2014 Honorable Director, the Government Pension Fund (GPF)

2013-2014 Chairman of Risk Management Committee, the Government Pension Fund (GPF)

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Somchai Kongsala

Age 76 Years

Position

Independent Director, Member of the Audit Committee and the Remuneration Committee

Date of First Election as Director

26 April 1994

Education/Training

Doctorate, Automatic Control, University of London, UK

Advanced Management Program (AMP), Harvard Business School, USA

Director Training

Director Certification Program (DCP) 41/2004, Thai Institute of Directors Association

Audit Committee Program (ACP) 8/2005, Thai Institute of Directors Association

Director/Executive Position in Listed Companies

None

Other Present Positions in Other Companies/Businesses/Organizations

None

Five-Year Past Working Experience and/or Important Positions

1982-1983 President of the Plastic Industry Club, The Federation of Thai Industries

1984-1998 Director, National Petrochemical Public Company Limited

1996-1998 Managing Director, Thai Plastic and Chemicals Public Company Limited

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Somchai Wangwattanapanich

Age 57 Years

Position

Director and Member of the Nomination and Remuneration Committee

Date of First Election as Director

18 November 2014

Education/Training

Master's Degree in Business Administration, Chulalongkorn University

Bachelor's Degree of Engineering, Mechanical Engineering, Chulalongkorn University

Advanced Management Program (AMP), Harvard Business School, USA

Director Training

Director Accreditation Program (DAP) SCC/2004, Thai Institute of Directors Association

Director/Executive Position in Listed Companies

Top Executive of The Siam Cement Public Company Limited

Since 2011 Vice President - Operations, SCG Chemicals

Other Present Positions in Other Companies/Businesses/Organizations

Being Chairman and Director of the major shareholders' (SCG) subsidiaries, associates and other companies which are non-listed as assigned.

Since 2012 Vice President, the Federation of Thai Industries

Since 2014 President, the Industrial Environment Institute

Five-Year Past Working Experience and/or Important Positions

2010-2012 Vice President of Petrochemical Industry Group, the Federation of Thai Industries

2010-2012 Director and Member of Executive Board, the Institute of Industrial Water Resource and Supplies

2010-2014 Vice President, the Industrial Environment Institute

2011-2013 Deputy Chairman of Executive Board, the Institute of Industrial Energy

2011-2013 President of Climate Change Committee

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Apiporn Pasawat

Age 66 Years

Position

Independent Director and Member of the Audit Committee

Date of First Election as Director

8 February 1995

Education/Training

Master's Degree, Business Administration, Production Sector, University of Wisconsin, USA

Master's Degree, Chemical Engineering, University of Wisconsin, USA

Bachelor's Degree, Chemical Engineering (Second Class Honors), Chulalongkorn University

Advanced Management Program (AMP), Harvard Business School, USA

Director Training

Director Accreditation Program (DAP) 39/2005, Thai Institute of Directors Association

Director/Executive Position in Listed Companies

Since 2011 Chairman, and Director, Nok Airlines Public Company Limited

Other Present Positions in Other Companies/Businesses/Organizations

Since 1995 Director, Bangkok Synthetics Co., Ltd.

Since 1996 Director, BST Elastomers Co., Ltd.

Since 2542 Director of Administration, Petroleum Institute of Thailand

Since 2007 Chairman of the Executive Committee and Director, Linde (Thailand) Public Company Limited

Since 2008 Advisor, CPB Equity Co., Ltd.

Since 2008 Director, Government Pharmaceutival Organization-Merieux Biological Products Co.,Ltd (GPO-MBP)

Since 2009 Chairman of the Executive Committee and Director, Siam Bioscience Co., Ltd.

Since 2010 Chairman of the Executive Committee and Director, Apexella Co., Ltd.

Since 2011 Advisor, Siam Cement Foundation

Since 2014 Chairman, Apsalagen Co., Ltd.

Since 2014 Chairman, Wuttisak Clinic Intergroup Co., Ltd.

Five-Year Past Working Experience and/or Important Positions

1995-2000 Vice President in Petrochemicals, the Siam Cement Public Company Limited

1995-2005 Director, National Petrochemical Public Company Limited

1999-2005 Managing Director, SCG Chemicals Co., Ltd.

2008-2013 Director, and Member of the Audit Committee, PAE (Thailand) Public Company Limited

2009-2013 Director, and Member of the Executive Committee, Thai Airways International Public Company Limited

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Aviruth Wongbuddhapitak

Age 66 Years

Position

Director

Date of First Election as Director

24 April 2003

Education/Training

Master's Degree, Business Administration, University of New York, USA

Bachelor's Degree, Accounting, Chulalongkorn University

Senior Management Program (SMP), Harvard Business School, USA

Director Training

Director Certification Program (DCP) 8/2001, Thai Institute of Directors Association

Director/Executive Position in Listed Companies

Director, Advance Info Service Public Company Limited

Since 2006 Member of Compensation Committee and Independent Director

Since 2014 Chairman of the Sustainability Development Committee

Since 2010 Independent Director, S&P Syndicate Public Company Limited

Other Present Positions in Other Companies/Businesses/Organizations

Since 1995 Director, Deves Insurance Public Company Limited

Since 2003 Chairman of the Executive Committee, Deves Insurance Public Company Limited

Since 2003 Director, CPB Equity Co., Ltd.

Since 2003 Director, CPB Property Co., Ltd.

Since 2008 Advisor, The Crown Property Bureau

Since 2012 Director, Siam Sinthorn Co., Ltd.

Five-Year Past Working Experience and/or Important Positions

1980-1990 Managing Director, Thai Ceramic Industry Co., Ltd.

1990-1994 President, TileCera Inc., USA

1995-2003 Vice President, The Siam Cement Public Company Limited

1998-2002 Director, Linde (Thailand) Public Company Limited

2001-2008 Chairman, IT One Co., Ltd.

2002-2003 Director, Phoenix Pulp & Paper Public Company Limited

2003-2005 Managing Director, Cementhai Property (2001) Public Company Limited

2005-2008 Assistant Managing Director, The Crown Property Bureau

2006-2009 Expert Member, the Government Pension Fund (GPF)

Expert Member, Investment Sub-Committee, the Government Pension Fund (GPF)

2006-2010 Advisor to the Management Committee, The Siam Cement Public Company Limited

2007-2008 Director, Thai Airways International Public Company Limited

2007-2009 Chairman, Thai Marble Corporation

2009-2011 Independent Director TMB Bank Public Company Limited

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Suchai Asvathavornvanit

Age 58 Years

Position

Managing Director

Date of First Election as Director

1 December 2012

Education/Training

Bachelor's Degree of Engineering, Mechanical Engineering, Chulalongkorn University

Director Training

Director Accreditation Program (DAP) 104/2013, Thai Institute of Directors Association

Director/Executive Position in Listed Companies

Since 2013 Member of the Board of Management, Binh Minh Plastic Joint Stock Company, Vietnam

Other Present Positions in Other Companies/Businesses/Organizations

Being Chairman and Director of the major shareholders' (SCG) subsidiaries, associates and other companies which are non – listed as assigned.

Five-Year Past Working Experience and/or Important Positions

1995-1998 Managing Director, Thai MFC Co., Ltd.

1996-2010 Deputy Managing Director, Siam Mitsui PTA Co., Ltd.

2003-2010 Deputy Managing Director, Thai PET Resin Co., Ltd.

2010-2012 Managing Director, Rayong Olefin Co., Ltd.

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Shareholdings of Directors

(as of 31 December 2014)

Directors	Company		Affiliated Companies* (The Siam Cement Public Company Limited)					
	Ordinary Shares (shares)			Ordinary Shares (shares)		Debentures (units)		
	Held personally	Held by spouses and/or minor children	Increase (Decrease) during the financial year	Held personally	Increase (Decrease) during the financial year	Held personally	Increase (Decrease) during the financial year	
1 Mr. Cholanat Yanaranop	-	-	-	25,500	6,000	30,000	5,000	
2 Mr. Dhep Vongvanich	-	-	-	-	-	10,000	2,000	
3 Mr. Prawit Ninsuvannakul	-	-	-	-	-	-	-	
4 Mr. Roongrote Rangsiyopash	-	-	-	30,000	-	35,000	3,000	
5 Mr. Somchai Kongsala	-	-	-	-	-	-	-	
6 Mr. Somchai Wangwattanapanich	-	-	-	8,300	(8,300)	-	-	
7 Mr. Apiporn Pasawat	-	-	-	42,000	(7,000)	23,000	(42,000)	
8 Mr. Aviruth Wongbuddhapitak	-	-	-	-	-	3,000	-	
9 Mr. Suchai Asvathavornvanit	-	-	-	39,000	-	32,000	8,000	

Remark: * According to the Public Limited Companies Act, an "affiliated company" means a public limited company with a relationship to a private company, a public limited company, or companies in the following manner:

- Any company that has the authority to control the appointment and removal of directors with full management authority or that has majority management authority.
- Holds more than 50% of issued shares.

2. Executive and Corporate Manager in Accounting

The Executive and Corporate Manager in accounting consists of

- | | |
|-----------------------------------|--|
| 1. Mr. Suchai Asvathavornvanit | Managing Director |
| 2. Mr. Somchai Thanomjitvisutti | PVC Production Division Manager |
| 3. Mr. Santi Udomnitirat | VCM Production Division Manager |
| 4. Mr. Prakob Jindamaneepon | Compound Plant Manager |
| 5. Ms. Poranee Mekayarajjananonth | Business Development & Supply Chain Division Manager |
| 6. Mrs. Voranun Sodanin | Chief Accounting Officer |

The above list of the Executives of the Company are "Executives" according to the Notification of Capital Market Supervisory Board No. TorChor 23/2551 which shall mean managers or the first 4 persons at the management level

directly below the manager, all persons who hold positions equivalent to the fourth person in the management level, including persons in the management level and those in charge of accounting and finance and who hold positions directly above department managers or equivalent.

All six Management must not possess any of the following prohibited characteristics:

1. Never dishonestly committed an offence against property.
2. Never entered into any transaction which may cause conflicts of interest against the Company during the year.

The Company's Executives are assigned to work under the policies, strategies and targets set by the Board of Directors. The Board approves the operational authority within the clear scope of duties which adhere to transparency and proper operational flexibility. Furthermore, the Executives should control the expense and investment budgets within the scope approved by the Board in the annual plan, adhere to the human resources policy, solve problems or conflicts affecting the organization and maintain effective communication for all related parties.

Biographies of Executives and Corporate Managers in Accounting

Mr. Suchai Asvathavornvanit

Age 58 Years

Position

Managing Director

Date of First Election as Director

1 December 2012

Education/Training

Bachelor's Degree of Engineering,
Mechanical Engineering,
Chulalongkorn University

Director Training

Accreditation Program (DAP) 104/2013,
Thai Institute of Directors Association

Director/Executive Position in Listed Companies

Since 2013 Member of the Board of
Management, Binh Minh
Plastic Joint Stock
Company, Vietnam

Other Present Positions in Other Companies/Businesses/Organizations

Being Chairman and Director of the
major shareholders' (SCG) subsidiaries,
associates and other companies which
are non-listed as assigned.

Five-Year Past Working Experience and/or Important Positions

1995-1998	Managing Director, Thai MFC Co., Ltd.
1996-2010	Deputy Managing Director, Siam Mitsui PTA Co., Ltd.
2003-2010	Deputy Managing Director, Thai PET Resin Co., Ltd.
2010-2012	Managing Director, Rayong Olefin Co., Ltd.

Shareholdings

Held personally: None
Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Somchai Thanomjitvisutti

Age 50 Years

Position

PVC Production Division Manager

Education/Training

Bachelor's Degree in Chemical
Engineering, King Mongkut's
University of Technology Thonburi

Director Training

None

Director/Executive Position in Listed Companies

None

Other Present Positions in Other Companies/Businesses/Organizations

None

Five-Year Past Working Experience and/or Important Positions

1999-2000	Production Department Manager, PT. TPC Indo Plastic and Chemicals	2007-2008	Production Department Manager - PVC Line 1, Thai Plastic and Chemicals Public Company Limited
2000-2006	Rayong Plant Manager - PVC Resin, Thai Plastic And Chemicals Public Company Limited	2008-2011	PVC Production Division Manager, Thai Plastic And Chemicals Public Company Limited
2006-2007	Production Department Manager - PVC Line 5 and 6, Thai Plastic and Chemicals Public Company Limited	2011-2012	VCM Production Division Manager, Thai Plastic And Chemicals Public Company Limited

Shareholdings

Held personally: 27,000 shares
Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Santi Udomnitirat

Age 53 Years

Position

VCM Production Division Manager

Education/Training

Bachelor's Degree in Chemical Engineering, Chulalongkorn University

Director Training

None

Director/Executive Position in Listed Companies

None

Other Present Positions in Other Companies/Businesses/Organizations

Being Director of the major shareholders' (SCG) subsidiaries, associates and other companies which are non-listed as assigned.

Five-Year Past Working Experience and/or Important Positions

1999-1999	Production Department Manager - Chlorine and VCM, Thai Plastic and Chemicals Public Company Limited
1999-2007	Plant Manager - VCM, Thai Plastic and Chemicals Public Company Limited

2007-2008	PVC Production Division Manager, Thai Plastic and Chemicals Public Company Limited
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2008-2011	VCM Production Division Manager, Thai Plastic and Chemicals Public Company Limited
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2011-2012	Managing Director, TPC Vina Plastic and Chemical Corp. Ltd.
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2012-2012	Managing Director, TPC Paste Resin Co., Ltd.
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Shareholdings

Held personally: None
Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Prakob Jindamaneepon

Age 42 Years

Position

Compound Plant Manager

Education/Training

Bachelor's Degree in Chemical Engineering, Chulalongkorn University

Director Training

None

Director/Executive Position in Listed Companies

None

Other Present Positions in Other Companies/Businesses/Organizations

None

Five-Year Past Working Experience and/or Important Positions

2010-2014	Compound Business Division Manager, TPE Co., Ltd.
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2009-2010	Engineer, Compound Business Division, TPE Co., Ltd.
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1996-2009	Production Engineer, Grand Siam Composites Co., Ltd.
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Shareholdings

Held personally: None
Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Ms. Poranee Mekayarajjananonth

Age 51 Years

Position

Business Development & Supply Chain Division Manager

Education/Training

Master's Degree in Business Administration, Bangkok University

Bachelor's Degree, Department of Materials Science, Chulalongkorn University

Director Training

None

Director/Executive Position in Listed Companies

None

Other Present Positions in Other Companies/Businesses/Organizations

Being Director of the major shareholders' (SCG) subsidiaries, associates and other companies which are non-listed as assigned.

Five-Year Retrospective Working Experience and/or Important Positions

1997-2000	Procurement Department Manager, Thai Plastic And Chemicals Public Company Limited
2000-2002	Manager, Business Development Office, Thai Plastic And Chemicals Public Company Limited
2002-2003	Export Sales Department Manager, Thai Plastic And Chemicals Public Company Limited

2003-2006	Domestic Sales Director, Thai Plastic And Chemicals Public Company Limited
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2006-2009	Export Sales Division Manager, Thai Plastic And Chemicals Public Company Limited
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2009-2012	Supply Chain Division Manager, Thai Plastic and Chemicals Public Company Limited
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Shareholdings

Held personally: None
Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mrs. Voranun Sodanin

Age 43 Years

Position

Chief Accounting Officer

Education/Training

Bachelor's Degree, Accounting,
Thammasat University

Director Training

None

Director/Executive Position in Listed Companies

None

Other Present Positions in Other Companies/Businesses/Organizations

Being Director of the major shareholders' (SCG) subsidiaries, associates and other companies which are non-listed as assigned.

Five-Year Past Working Experience and/or Important Positions

1994-2001 Manager, Managerial Reporting SCG Chemicals Co., Ltd.

2002-2006 Manager, Managerial Reporting and Consolidation, Corporate Accounting Division, The Siam Cement Public Company Limited

2007-2008 Assistant Manager, Business Analysis and Reporting, Paper Business, SCG Accounting Services Co., Ltd.

2009-2013 Manager, Business Analysis and Reporting, Paper Business, Corporate Accounting Division, The Siam Cement Public Company Limited

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Shareholdings of Directors

(As of December 31, 2014)

Directors			Ordinary shares (shares)		
			Held personally	Held by spouses and/or minor children	Increase (Decrease) during financial year
1	Mr. Suchai	Asvathavornvanit	-	-	-
2	Mr. Somchai	Thanomjitvisutti	27,000	-	-
3	Mr. Santi	Udomnitirat	-	-	-
4	Mr. Prakob	Jindamaneepon	-	-	-
5	Ms. Poranee	Mekayarajjananonth	-	-	-
6	Mrs. Voranun	Sodanin	-	-	-

Biographies of Company Secretary and Chief Internal Auditor

Mrs. Pornpen Namwong

Age 54 Years

Position

Company Secretary

Education/Training

M.S., Japanese Business Studies,
University of Honolulu, Hawaii, USA

Bachelor of Economics (Second Class Honours), Thammasat University

Seminar on Role and Responsibility of Company Secretary

Company Secretary Program (CSP)
51/2013, Thai Institute of Directors Association

Anti-Corruption: The Practical Guide (ACPG), Thai Institute of Directors Association

Director/Executive Position in Listed Companies

None

Other Present Positions in Other Companies/Businesses/Organizations

Being company secretary of listed companies under the major shareholders (SCG) as assigned.

Since 2010 Director of Thai Company Secretary Club

Five-Year Past Working Experience and/or Important Positions

1999-2010 Manager, Legal and Business Affairs, SCG Chemicals Co., Ltd.

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mrs. Supaluk Termvoratham

Age 52 Years			
Position	Five-Year Past Working Experience and/or Important Positions		
Chief Internal Auditor	1989-1993	Researcher, Research and Development Division, Thai Plastic and Chemicals Public Company Limited	2005-2006 Manager, Office of Human Resource Management, Thai Plastic and Chemicals Public Company Limited
Education/Training			
Master's Degree in Science, Petrochemical and Polymers, Chulalongkorn University			2007-2012 Manager, Internal Audit Office, Thai Plastic and Chemicals Public Company Limited
Bachelor's Degree in Science, General Science, Chulalongkorn University	1994-1995	Manager, Quality Control Section, Thai Plastic and Chemicals Public Company Limited	2013-Present Chief Internal Auditor, Internal Audit Office, The Siam Cement Public Company Limited
Director Training			
None			
Director/Executive Position in Listed Companies	1996-1998	Manager, Technology Department, Technology Division, Thai Plastic and Chemicals Public Company Limited	Shareholdings
None			Held personally: None Held by spouse or minor children: None
Other Present Positions in Other Companies/Businesses/Organizations			Family relationship among Directors and Executives
None	1999-2004	Manager, Office of Information, Thai Plastic and Chemicals Public Company Limited	None

3. The Secretary of the Board and the Company Secretary

The Board of Directors appointed Mrs. Pornpen Namwong to be the Secretary of the Board and the Company Secretary is to perform the following duties:

- Arrange the meeting of the Board, Committee and Shareholders' Meeting; participate in the meeting; prepare the minutes of the Board of Director meeting, Shareholders' Meeting, annual meeting; and keep documents as stipulated by law.
- Advise Directors on what they need to know concerning legal matters, rules and regulations involving Directors' responsibilities and criteria for good international corporate governance.

The Secretary of the Board and the Company Secretary appointed by the Board is the person in possession of proper knowledge and skills for the management of the Company Secretary's work and one who is highly experienced, so as to be able to provide advice to Directors on legal matters, rules and regulations and matters on Company's corporate governance.

Moreover, the Company also encourages the Company Secretary to receive training and to be continuously informed on the latest developments in relevant laws, accountancy or the Company Secretary's operations. The Secretary's profile, qualifications and experiences are disclosed in the annual report.

Remuneration Of Directors And Executives

Remuneration policy for the Board of Directors and Committee

According to Company regulations No. 29, Directors are entitled to remuneration for performance of their duties. This remuneration includes monthly remuneration, meeting fees, allowance, pensions, an annual bonus or other benefits from the Company. A meeting of shareholders considers the remuneration for the Board.

The Company sets the proper rates for the Board of Directors by comparing them with the levels of remuneration in other leading registered companies in SET and those within the same industry, in addition to a consideration of the Company's operation results.

There is also a suggestion in the Shareholders' meeting for remuneration for the Board of Directors.

Apart from monetary remuneration, the Company does not provide any other benefits to the Board.

Remuneration of the Board of Directors and Committee

During the 2014 Annual Shareholder Meeting (49th Meeting) held on Wednesday 25 March 2014, there was approval for the monthly remuneration and meeting fees for the Board of Directors and Committee in the year 2014, which would be effective as of the date of approval. The bonus which serves as part of the remuneration for the Board, for the operational results of 2013, is 12 million Baht in total. Details are as follows:

	Position	Monthly Remuneration (Baht/person/month)	Meeting Fee (Baht/person/time)	Bonus (Baht)
The Board of Directors	Chairman	100,000	-	12,000,000
	Director	67,000	-	
Audit Committee	Chairman	10,000	30,000	-
	Director	7,500	20,000	-
Remuneration Committee	Chairman	-	30,000	-
	Director	-	20,000	-

Remuneration for the Board of Directors and Committee in 2014

(1 January – 31 December 2014)

(Unit : Baht)

Directors			Monthly Remuneration		Meeting Fee		Annual Bonus	Total
			Directors	Member of Audit Committee	Member of Audit Committee	Remuneration Committee		
1	Mr. Cholanat	Yanaranop	1,200,000				2,400,000	3,600,000
2	Mr. Dhep	Vongvanich	804,000			120,000	1,200,000	2,124,000
3	Mr. Nit	Pibulsonggram ¹⁾	335,000	37,500	20,000	20,000	1,200,000	1,612,500
4	Mr. Prawit	Ninsuvannakul	804,000	120,000	240,000		1,200,000	2,364,000
5	Mr. Roongrote	Rangsiyopash	804,000				1,200,000	2,004,000
6	Mr. Somchai	Kongsala	804,000	90,000	160,000	80,000	1,200,000	2,334,000
7	Mr. Apiporn	Pasawat ²⁾	804,000	37,500	80,000		1,200,000	2,121,500
8	Mr. Aviruth	Wongbuddhapitak	804,000				1,200,000	2,004,000
9	Mr. Suchai	Asvathavornvanit	804,000				1,200,000	2,004,000
10	Mr. Somchai	Wangwattanapanich ³⁾	100,500				-	100,500
Total			7,263,500	285,000	500,000	220,000	12,000,000	20,268,500 ⁴⁾

Remark: ¹⁾ Mr. Nitya Pibulsonggram passed away on 24 May 2014.

²⁾ Mr. Apiporn Pasawat was appointed at the meeting of the Board of Directors on 29 July 2014 as a Member of Audit Committee.

³⁾ Mr. Somchai Wangwattanapanich was appointed at the meeting of the Board of Directors on 18 November 2014 as a Director and member of Remuneration Committee instead of Mr. Nitya Pibulsonggram.

⁴⁾ Display the remuneration according to the Present Position and meeting attended in 2014.

The Remuneration for Executives

Remuneration policy for Executives

The Board of Directors together with the Remuneration Committee assesses the operational results of the Managing Director by considering the business operational results of the Company, the Board's policy compliance, and the overall economic and social situations. The Remuneration Committee considers the proper short-term and long-term remuneration based on given information for the Managing Director, and a proposal to the Board which is done by comparing data for the present year with those of preceding years as follows:

1. The business operation results, based on the percentage of EBITDA on Operating Assets that is set annually as an assessment and criteria for comparison
2. A comparison of operation results of businesses within the same industry, both nationally and internationally.
3. Business performance, growth and improvements in operation efficiency for each year.

The Remuneration for Executives (as of 31 December 2014)

Six Executives of the Company received a total remuneration of 52,680,400 Baht, in the form of salaries, bonuses, variable pay and others. In 2014, the Company contributed 2,861,834 Baht to the pension fund for its employees.

4. Employees

"Belief in the Value of the Individual" is one of the Company's ideology, paying attention to the value of its employees and regarding them as the most valuable assets. The Company tries to nominate employees with knowledge, skills and ethics; provides trainings, development and offers good care, reasonable benefits and remuneration. As such, the Company continuously improves its human resources management system to match its business strategy, by establishing human resources development strategy for the next five years as follows:

1. Human Resources Preparation for the Future Business Expansion

1.1 Manpower Preparation for the Workload Expansion

The Company sets Strategic Workforce Planning for a 3–5 years period to leverage the skills that are needed from future employees together with current Manpower Planning.

1.2 Employee's Ability Development

To support the number of employees who have drastically increased, the Company has to develop the potential and skills of its staffs in a timely manner, so as to respond to the challenges and rapid business growth. The Company leverages the employee development methods across the region by setting a standard competency which is focused on developing learners in each of their main responsibilities, and sets the 70:20:10 development format (based on the idea that 70 is what you learn from doing and the learner's direct experience; 20 is what you learn from others; and 10 is what you receive from the formal learning or trainings). The Company offers employees the opportunity to learn from the real-world operations, such as by assigning them challenging tasks, with a supervisor acting as a coach to guide.

The Company will provide employees at each level with business knowledge development that is suited to their level; such as a Abridged Business Concept (ABC) for junior management staff, to provide them with basic knowledge of business operations; Business Concept Development (BCD) for staff in management level, with an emphasis on business matter learning, observation and offer the opportunity to experience exchanges with leading companies. Moreover, the Company has developed courses in collaboration with the world's leading universities for management staff;

such as the Management Development Program (MDP) developing together with The Wharton School of The University of Pennsylvania and Duke Corporate Education which develops strategic business knowledge; Executive Development Program (EDP) developing together with International Institute for Management Development (IMD) to support Leadership development among employees in high-level management; and an Advanced Management Program (AMP) which is a short course designed for high-level executives to study in leading universities abroad such as Harvard Business School, Harvard University, and The Wharton School of The University of Pennsylvania.

Apart from business courses, the Company arranges skill-development courses in Leadership and Teamwork, to support cooperation and impart the Company's good work practices from seniors to juniors, to further the organization's sustainable development. The Company focuses on allowing the supervisors to coach for work and work ethics. The Company is committed to improving the employee's potential by arranging for knowledge and skill development within each occupational field, to achieve maximum work efficiency.

And to support investment in foreign countries, the Company works to develop the abilities of employees, so that they are well-equipped to work abroad, by providing Go Regional Program to prepare international staff with knowledge of foreign languages, cultures and the business practices of foreign countries, including SCG business operations such as Cross Cultural Development Program and Business Practice Program. Moreover, courses are arranged for the local employees in countries where the Company invests in, this is done to ensure

every employee has equal knowledge and skills both in Thailand and abroad.

1.3 The Improvement of Human Management

The Company improves overall e-HR Suites, from recruitment, employee's ability development, and employee information management system using up-to-date software and technologies supporting usage via mobile device and on Internet to increase the ability in the Company's HR Information System for better effectiveness.

The Company's investment in foreign countries requires good human resources management system in the same standard level and suitable for the local, therefore it applies its excellent practices such as Career Camp, Human Committee, HR Platform, the human management software "e-HR", employee development, and TQM and TPM Safety in its businesses abroad, to demonstrate SCG's focus on the long-term and its focus on sustainable investment.

2. Building a New Culture to encourage the development of an Innovative Organization

2.1 Developing a corporate culture of innovation

The Company holds many activities to encourage and facilitate a change in the working culture and working behavior of employees, so that it develops into an Innovative Organization. Our staffs adhere to the Company's Ideology and Code of Conduct as their modus operandi, willing to boldly express their opinions, be open and are ready to challenge themselves to change for better. The Company recognizes the importance of an increasing number of researchers in the organization in the fields which are consistent with the strategic directions of the business.

2.2 Competency Development for Employees Who Support a Culture of Innovation

To develop the competency of the employees who support a culture of innovation, the Company arranges employee development programs for each level of employees; such as Thinking Skills for Innovation Coaching for Innovation, Leadership Development Program, and Inno Executive Coaching. At the same time, it develops Inno Facilitators to drive and support the innovation culture in the organization.

2.3 Human Management System Improvement to Support the Innovation Culture

The Company believes that a commitment to developing human resources – to gain knowledge, skills and ethics – will enable it to achieve the status of an Innovative Organization in the international stage, and will enable it to grow sustainably both in Thailand and in the ASEAN region, by improving the human resources management system as follows:

- Improving recruitment process by developing an internal recruitment system, and relocation to enable employees to set their own career paths in SCG Career Click.
- Reviewing the performance management system to persuade employees and teams to drive innovation for better results and work ethics.
- Improving remuneration management and career development for researchers and specialists in each business.

- Cooperation with external academic institutes in research and development; such as AIT and Chulalongkorn University, as well as developing skills in petrochemical technology technicians with King Mongkut's University of Technology North Bangkok (KMUTNB) in the Constructionism – Chemical Engineering Practice School (C-ChEPS) program and the Model School, which is a model project developed in partnership with the Vocational Education Commission, to create technicians for industries and who will support the development and improvement of the Company's technologies in the future.

As of the end of 2014, the Company has 491 employees.

Corporate Governance

Corporate Governance Policy

The Company operates its business with responsibility, transparency, and fairness, and adheres to the philosophy within the frame of ethics to which has long been complied for the balanced and sustainable benefits and happiness. Our Board of Directors serves as good examples, abiding by the Company's principles and ethics. The Board of Directors are committed to running the business under the good corporate governance framework, and have put the governance policy in writing, with the main points being in line with the guide on good corporate governance guide for the companies registered in the Stock Exchange of Thailand, Office of the Securities and Exchange Commission, Thai Institute of Directors; and with the international guides. The policy covers rights and equal treatments for the stockholders, stakeholder supervision, disclosure and transparency, responsibility of the boards and other sub-committees; as the main guide to govern and support the efficient management of the Company, virtue and ethics in operating a business, examinable transparency and responsibility to the society and all stakeholders, which is an important basis of the organization's sustainable growth.

Corporate Governance Guide

The Company conducts its business in line with sustainable development and good corporate governance principles— operating business with responsibility to societies and environment and fairness to every stakeholder under the Board of Directors' close governance.

In 2010, the Board of Directors approved the policy on Corporate Governance, with the intention of developing the relationship between the Board, the management,

shareholders, and every stakeholder into one which develops competitive strengths, and leads to long-term growth and value-add for the shareholders. The prepared content is aimed to be in line with the Stock Exchange of Thailand's the Principle of Good Corporate Governance for Listed Companies 2006 and Office of the Securities and Exchange Commission's manual to show effectiveness, transparency and verity of our management system in order to gain the trust and confidence of shareholders and people involved.

Having considered changes on the social and economic front, development of ASEAN corporate governance, and the need to align the corporate management guide with international corporate governance standards—to ensure the trust in stakeholders and support sustainable growth—the Board of Directors reviewed and had approved the improvement of the Company's corporate governance for clearer operational results by adding anti-corruption policy, stakeholder treatment policy and guideline, business code of conducts, as well as, the Company's code of conducts and corporate governance guidelines in line with the occurred changes, The Board of Directors agree to adapt the Company's corporate governance guide in light of the changes, adhering to the good corporate governance guide of the Stock Exchange of Thailand's and Thai Institute of Directors (IOD) that are adjusted and edited to the principles of ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard), with the aim of internationalizing the ASEAN corporate governance standards.

In addition, the Board also approves the enhancement of charters for the committees and sub-committees to be consistent with the present extended scope of duties and corporate governance practices. The charters was published in the company's website.

In 2014, the Company's corporate governance assessment results and awards were as follows;

- Achieving full 100 assessment scores; ranking in "excellent" level of AGM Checklist 2014 done by Thai Investor Association;
- Being assessed by Thai Institute of Directors (IOD) in the Corporate Governance Report of Thai Listed Companies 2014 in the Good level;

1. The Rights of Shareholders

Apart from granting the shareholders' ownership's rights to control the Company by appointing the Board of Directors to act on their behalf and decide on significant changes of the Company, the Company also encourages shareholders to exercise their legal rights. The Board of Directors realizes and gives priority to supporting shareholders' rights, by respecting and not infringing or depriving their rights.

The Company has a policy to support, promote and facilitate every shareholder, every group, as well as corporate shareholders to claim their rights as share investors, and as company owners, using accepted and trustworthy methods and standards. Rights include: freely selling, buying or transferring the stocks owned; receiving profit shares from the Company; adequately receiving the Company's correct, complete news and information on time; proposing shareholders' meeting agenda in advance; nominating the Board of Directors; joining the shareholder's meeting; assigning proxies to join and vote in the shareholders' meeting; freely expressing opinions, asking and voting in the meeting; and together deciding the Company's important matters such as appointing auditors and determining the auditing fee. Every shareholder has his/her right to vote according to the shares owned; one vote for each share and no share has priority over others.

Apart from the basic rights mentioned above, the Company also carries out other actions to support and facilitate the shareholders further as follows:

1. Disclosing to shareholders important and necessary information regarding and business operation clearly and promptly via the Company's website and the Stock Exchange of Thailand
2. In order for every shareholder to receive adequate and clear information and study it before the shareholder's meeting, the Company clearly publicizes the date, time, place, meeting place's map, schedule and attached documents for shareholders' meeting clearly categorizing each topic, both in Thai and English, through the Stock Exchange of Thailand's SET Portal system and in its website not less than 30 days before the meeting date.

For the notice of shareholders' meeting the Company provides details of each agenda, together with the Board of Directors' clear reasons and opinions enough for shareholders to consider and decide their votes, included are related documents such as registration form, documents and evidences required to be shown before entering, how to authorize proxy, registration, the proxy form and the Company's regulations regarding the meeting; in its website both in Thai and English not less than 30 days prior to the meeting date, and sends the abovementioned to shareholders not less than 14 days prior.

3. To facilitate shareholders who can't participate in the shareholders' meetings in person, they can authorize an independent committee or any person to participate on behalf of themselves using one of the proxy forms that follows the rules of DEP, Ministry of Finance, submitted together with the meeting notice by the Company. This method enables shareholders to control their voting in the way specified by the Department of Business Development, Ministry of Commerce. The Company has attached documents and evidence required to be shown before entering, how to authorize proxy, registration and the proxy form; to the meeting notice and also includes the

information of independent committees who are appointed by the Company to be shareholders' authorized representatives, who have no conflict of interests on the agenda to elect the directors in the meeting notice, as a choice of proxy for shareholders who wish to use a proxy. Moreover, shareholders can download proxy forms via the Company's website both in Thai and English

Shareholders, who are corporates or foreign investors and appoint custodians in Thailand, can arrange for the necessary documentation in advance for convenience of the registration on the meeting date.

4. Shareholders can propose meeting agendas and nominate people with proper qualifications to be elected as Director replacing directors who are due to retire by rotation to the Company three months prior until the end of the Company's fiscal year. The Company also gives a chance to them to submit their questions regarding details of each meeting or other details of the Company before the meeting day via email: contact_tpc@scg.co.th or to the Company's address. If shareholders need to ask for more information, they can contact directly the Company Secretary via these channels:

- Address: SCG 100th year Building,
19 Floor, 1 Siam Cement
Rd., Bangsue, Bangkok
10800
- Telephone: 0-2586-3012, 02-586-1393
- Fax: 0-2586-3007
- Email: contact_tpc@scg.co.th

5. In 2014, the Company held the Annual General Meeting of Shareholders on March 25, 2014 with 8 attending directors (calculated as 89%):

- 1) Mr. Cholanat Yanaranop
Chairman

- 2) Mr. Dhep Vongvanich

Director and Chairman of the Remuneration Committee

- 3) Mr. Prawit Ninsuvannakul

Independent Director and Chairman of the Audit Committee

- 4) Mr. Roongrote Rangsiyopash

Director

- 5) Mr. Somchai Kongsala

Independent Director, Member of the Audit Committee, and the Remuneration Committee

- 6) Mr. Apiporn Pasawat

Director

- 7) Mr. Aviruth Wongbuddhapitak

Director

- 8) Mr. Suchai Asvathavornvanit

Director and Managing Director

6. The Company held the Annual General Meeting of Shareholders for the year 2014 at Crystal Hall, 3rd floor, Plaza Athenee Bangkok, A Royal Meridien, just like in the year 2013 in order to effectively facilitate the shareholders at the meeting and to ask or express their opinions in the same meeting hall, making the meeting run smooth and transparent. Furthermore, it is located in the area easy to commute to - closed to Wireless Road and not far from Ploenchit BTS Station.

7. On the meeting day, the registration equipped with Barcode system, showing the registration number of each shareholder typed on the registration form and the proxy form, to ensure fast and accurate registration and receiving ballots of shareholders and proxies. Moreover, for shareholders' convenience, the Company also sets a document checking point for proxies and prepares duty stamp to be sealed on the proxy form, and also welcoming staffs to service and assist shareholders. The registration starts at least 2 hours before commencement of the meeting.

8. Before the agenda of shareholders' General Meeting is announced, the voting procedure and vote counting are explained clearly by the Managing Director as assigned by the Chairman. It can be summarized as follows:
 - 8.1 For voting in any meeting, one share counts as one vote. Voting and counting of votes are done openly by raising a hand.
 - 8.2 The Company prepares ballots for use in any voting agenda for transparency and verity. In each voting agenda, the Chairman will ask any shareholder or proxy, who votes for, against or abstain, to raise his hand, vote in a ballot and sign. Then, staff will record the vote by scanning the barcode on the ballot and collect it in case of shareholders who vote against or abstain. And all voting-for ballots will be collected at the end of the meeting, making the ballot collecting process in each agenda faster. For shareholders appointing independent directors as their proxies, the Company will count the number of votes for, against and abstain, according to the shareholders' intention.
 - 8.3 The results of the vote count for each agenda will be collected and announced in the meeting after each voting round is finished. If counting takes a longer time than usual, the Chairman may ask for the meeting to continue, in consideration of the other agendas. And when staffs have completed counting votes, the details of results will immediately be announced in the meeting.
9. There will be a representative of the external auditor acting as the witness of the vote counting on each general meeting, as well as representatives of the Rights Protection Volunteers who will observe the meeting.
10. Shareholders who arrive after the Meeting has commenced are able to vote on the agenda item being considered provided that a resolution is not yet made, and constitute a part of the quorum starting from the agenda item for which they are attending.
11. In the shareholders' meeting, the Chairman invites and encourages every shareholder to freely and equally express their opinions, recommendations, or questions in each agenda before moving to a resolution on any item. This is done by allocating adequate meeting time to provide shareholders with adequate information and details concerning the matters at hand. Should shareholders have questions or doubts, the Company has appointed the involving staffs to answer under the responsibility of the Board of Directors.
12. In each meeting agenda, five shareholders or more can call for a casting of votes by a secret ballot, and the method should be approved by majority of votes in the meeting.
13. At the 2014 Annual General Meeting of Shareholders, Chairman asked the Meeting to consider the agenda, chronologically, just as it had appeared in the notice of meeting submitted to shareholders prior to the meeting, without any changes in order. There were approval for annual financial statement and profit allocation, approval and resolution for individual director election, approval for auditor appointment and audit fee, director and subcommittee remuneration – regular compensation, meeting fee and bonuses without other benefits or request to the Meeting to consider any agenda item other than those specified in the meeting notice.
14. The Company disclosed the resolution of the Annual General Meeting of Shareholders for the year 2014 to the public to acknowledge the voting results in each agenda via the Stock Exchange of Thailand's SET Portal system which was then posted on the Company's website after the end of meeting.

15. The Company had a complete Shareholder's Meeting Minutes of the Shareholders' meeting, including important information such as a list of the Board of Directors and participated management, voting processes and procedures, resolutions, voting results in each agenda, as well as shareholders' questions, explanations and opinions suggested in the meeting. The Minutes of the 2014 Annual General Meeting of Shareholders was completed within 14 days since the meeting day and submitted to SET and the Ministry of Commerce within the deadline specified by the law, before being posted on the Company's website. Moreover, the Company also recorded the meeting in pictures.

16. After the meeting, the management will consider shareholders' questions and suggestions collected from the meeting, and propose them to the Board of Directors, for the implementation of proper practices, and to improve the meeting in the following years. In the Annual General Meeting of Shareholders for the year 2014, the Board of Directors had answered all the shareholders' doubts during the meeting without any other suggestions from shareholders.

2. The Equitable Treatment of Shareholders

The Company recognizes its duty to protect the interests of every group of shareholders; regardless of the size of their holdings, whether they be individuals or corporate, Thais or foreigners; to be treated fairly and equally, and their rights to maximum benefits as shareholders:

1) Inviting minor shareholders to propose agenda items and nominate candidates for election as directors in advance

The Company prescribes criteria and procedures for shareholders to propose agenda items in the meeting and nominates candidates to succeed the directors whose terms expire, at least 3 months before the meeting day until the end of the Company's annual fiscal year. The Company posted the said rules and procedures via SET Portal system and its website.

For the 2015 Annual General Meeting of Shareholders, the Company invited shareholders to propose agenda items, and nominate candidates for election between October 1 – December 31, 2014, by submitting the agenda item proposal form and/or director nomination form, together with required documents via the Company secretary. The guidelines are as follows:

For the meeting agenda proposal, one or more shareholders who hold shares on the proposed date, totaling not less than 1% of all votable shares of the Company (not less than 8.75 million shares) are entitled to propose an advanced meeting agenda. The Board of Directors will consider adding and specifying the item in the meeting notice, as one which has been proposed by shareholders. However, if the Board denies the item proposed, the Company will provide explanations in the Annual General Meeting of Shareholders.

For nominating candidates for the position of directors, every shareholder is entitled to nominate candidates to be directors in advance to select the persons with proper qualifications for the Board to screen the nominated candidates according to the Board of Directors nomination policy, before proposing them during the meeting for consideration and election to the Board.

However, during that period, no shareholder proposed any an agenda item and nominated candidates for the election of Directors in advance.

2) Allowing shareholders who cannot participate, to vote via an authorized proxy

If shareholders are unable to attend the meeting in person, they could vote by authorizing an independent director who has no conflict of interests on the director nomination agenda as listed in the meeting notice for shareholders to choose to be their proxy to join the meeting and vote on their behalf. The Company has also attached 2 types of proxy forms specified by Department of Business Development, Ministry of Commerce and documents, instructions on the evidence required to be shown before entering, as well as instructions on how to authorize proxy and register, together with the meeting notice, which will be sent via post in Thai and

English, 14 days prior to the meeting day; and will post the document on the Company's website both in Thai and English, no less than 30 days prior to the meeting day.

3) Preventing Misuse of Internal Information

The Company pays attention to preventing the use of insider information for personal gain or for the benefit of others, via price manipulation of the Company's shares, by clearly establishing the insider trading prevention measures in writing, in the Corporate Governance guide and Code of Conduct and Regulations for Employees, as guidelines for stakeholders, which consist of the Board of Directors, Executives, and employees in the departments involved with insider information including their spouses and children who are minors. The practices are as follows:

- Employees should exercise their caution in releasing the Company's important information that may significantly affect the business operation or stock price or investment decision if released inappropriately, whether it is financial, investment data or trading secrets; by strictly follow the Company's information release policy. Every employee is not allowed to release the Company's unreleased information to public in any time unless being assigned by Managing Director. Directors, executives and employees are not allowed to use the unreleased information for their own or others' benefits illegally.
- Directors, executives and employees in the unit that involves with the information (including their spouses and children who are minors) are prohibited from trading the Company stock within one month before the stock trading prohibition policy is in force, within 2 weeks before release of the quarterly and annual financial statements, and within 24 hours after the release (blackout period).

The Company's secretary will send a letter to people involved to notify the Blackout Period one month prior and the Company will regularly check the stock trading of people involved, and

prohibits employees involved in the preparation of financial statements from disclosing these statements to other uninvolved parties during the closing date of the financial statement, up till the release date.

In the case where directors, executives and employees in the unit that involves with the information (including their spouses and children who are minors) gain any knowledge that unreleased information may affect the Company stock price, they must not trade the stocks until the 24-hour period, since the release to the public is over.

- Directors and executives, according to the definition of the Securities and Exchange Commission (SEC), should report their own and their spouses and children who are minors' holdings of the Company stocks and report any changes of the holding of the Company stocks when there is sale, transfer or receipt of stocks and submit the copy of the abovementioned report to the Company Secretary to collect and propose to the Board for acknowledgement every time.

The Company also regularly follows the results of the measure compliance and reveals the number of stock holding at the beginning and end of the year, including those which were traded during the year by the directors and executives (including their spouses and children who are minors) in the annual report.

- In 2014, there is no insider trading case concerning the directors and executives involving the internal information usage.

4) Preventing Conflicts of Interests

The Company realizes the importance of managing conflict of interests between the stakeholders carefully, fairly and transparently; stakeholders include the Board of Directors, executives and employees. The Board of Directors establishes policies and practices for conflict of interests as follows:

- Directors, executives, and their related persons should report their interests in the management of the Company or a subsidiary when they take the position of directors or executives for the first time, and report on every change in their interest, at every year-end.

The company secretary should submit copies of such report to the Chairman for examination, within 7 working days since the day the report is received, pursuant to the Securities and Exchange Act B.E. 2535. The Chairman also assigns the company secretary to submit a copy of the report to Audit officers and to use the information in the examination and prevention of conflict of interest.

- The stock holding structure in the subsidiaries, associated companies, co-owned business and other companies, as well as influential shareholders, are clearly revealed to ensure shareholders that the Company's stock holding structure is clear, transparent, and that there are no cross holdings among large shareholders; so conflict of interest will not occur.
- At a Board of Directors' meeting, if any director has vested interest in the matter in consideration, the director should not have a part in the decision for that matter, by not participating in the meeting or abstaining from voting, to ensure the directors' decision is truly fair for the utmost benefit of shareholders.

3. Roles of Stakeholders

The Company upholds a vision to fairly operate its business and adheres to social responsibility, using the principles of creating values together between the organization and every stakeholder for sustainable benefits, with the Board of Directors controlling the operation to ensure that the Company follows the laws and the Company's regulations and guidelines in the good corporate governance, Code of conduct, and

policies of the companies involved. In addition, it will ensure that the rights are strictly protected and treated with equality.

With increasing stakeholders' roles in business operation, the Board of Directors established the Stakeholder Engagement Policy. The Company adheres to being the society's good citizens, especially in every community where the Company operates its business, by respecting and fairly treating stakeholders, listening to opinions or concerns, and arriving at understanding with stakeholders, supporting creative cooperation in the topic in stakeholders' interest, as well as developing the societies and environment for the Company's sustainable business operation.

Moreover, the Board of Directors set clear guidelines of stakeholder treatments for all 12 groups for employees involved in business operations, and to add long-term value to shareholders. In addition, the implications this has for other stakeholders of the Company and for the practices of each stakeholder group are considered. The policies are posted on the Company's website.

The guideline for each stakeholder group can be summarized as follows:

1) Shareholders:

The Company considers shareholders to be company owners, and therefore requires that the Board of Directors—as representatives of shareholders—executives and employees, operate the business in accordance with the Company's values and commitment to the principles of good corporate governance, as well as its goal of maximizing benefits and long-term value for shareholders by managing the organization following its vision and corporate governance principles with honesty, carefulness and without personal conflict of interest in order to generate sustainable compensation to every shareholder. It also sets effective internal control, internal audit and risk management measures, as well as assign independent directors to take care of small shareholders and answer to complaints or suggestions from shareholders.

2) Employees

The Company believes that employees are valuable resources and factors of success, therefore it treats employees fairly on the basis of human rights, considers their needs with the hope of making good relationship between employees and organization, supports skill development and potential, and provides career security and advancement with important practices as follows:

- Select employees with selection system and effective and fair hiring conditions to obtain “skilful and good” employees with high quality and honesty to join the team.
- Thoroughly and fairly take care of employees, respect and protect personal freedom of employees, support and respect the rights in freely expressing opinions, and provide complaint system for employees to report inappropriate treatment under the Code of Conduct and protect employees from being bullied or being punished from such reporting (Whistle blower policy).
- Encourage team playing for the harmony of the organization and create consciousness for employees to have disciplines in operation by arranging an organization culture fostering project for employees such as new employee preparation program with main targets covering the Company’s ideology, code of conduct and Open and Challenge corporate culture encouraging employees to dare thinking and be ready to adapt for excellence; and preparation program for local employees in foreign countries where the Company invests to make them understand the business operation method of the Company and proud of the Company.
- Thorough, adequate, and continually develop employees in every expertise suiting the duties and responsibilities and build consciousness of moral principles to every employee. In each year, employees will be trained around 10 days in several courses such as Classroom Training,

On the Job Training, Self-Learning, Community of Practice, e-Learning and there is also Knowledge Management to spread and further knowledge domestically and internationally. The Company’s Human Resources develops Training Roadmap to design development plan for each employee based on their competency to make them all-round, rotates and transfers duties and assigns employees to work in foreign countries.

In 2014, the Company spent employee development budget of 7.7 million Baht, an 250 percent increase from last year, showing the commitment to develop human resources.

- Encourage employees to have balance between working and personal life and take care of employees to be mentally and physically healthy in Holistic Health Program, establish Employee Club and activity clubs such as running club, mental development for health and build a sports center for employees to use.
- Assess operation result and remuneration management, considering from individual duty appropriateness, responsibility and skills and provide fair and suitable benefits for employees and always improve the benefits to be comparable to leading companies in the same industry. Apart from monthly compensation, the Company provides monthly additional living fee to employees in each area as appropriate, and also manage benefits such as medical and dental fee, annual check-up, allowances, and transportation fee. Additionally the Company provides provident fund to pay the employees when they are not employed in the ratio of 5% to 10% of employees’ salary depending on the employee’s working experience and provident fund that is registered as juristic person to the Ministry of Finance, according to the Provident Fund Act, B.E. 2530 as another choice for the employee. Employees that will apply to the new fund should pay monthly in the ratio of

2% to 13% of the salary and the Company will additionally pay jointly in the ratio of 5% to 13% of the member's salary depending on the member's working experience.

- Foster consciousness and encourage safe and hygienic working and provide good atmosphere and environment in working place for employees to feel warm as if they are the same family, manage the system following occupational hygiene and safety and international standard environmental management system. The Company seriously supports the environment, health, and safety of employees and is committed to foster consciousness in that to employees and related people to follow the Code of Conduct by training and educating employees with hope to create safety culture. The employees in production process will have to learn the risk management principles, prevention, control and compliance. Furthermore, the Company pays much attention to standard compliance driving guideline and measures for efficiency in good environment maintenance in international level.

In 2014, the accident statistics in the Company was 35 times.

- Other benefits – to help lessening the educational fee burden of the employees' children with excellent school records and to encourage of the employees' children to be diligent, the Company provides scholarships to the employees' children with excellent school records, in the level of primary school and secondary school and vocational school. The employees' children who apply for scholarship should be legal children of the employees and have the latest school record with scores of average 70% and above.

3) Clients

The Company is committed to innovations and to delivering products and services which meet clients' needs in terms of quality and at a fair price. The

safety of products and services should comply with international standards, be environmentally friendly, and support sustainable growth in accordance with the policies of operational excellence and value-added marketing, to maximize clients' confidence and satisfaction. The Company has set up a unit responsible for customer relations. This unit will provide suggestions concerning products and management, as well as offer recommendations, after-sale services and handle complaints, in order to prepare working plans for improvement in operational effectiveness.

The Company has good management procedures to ensure good relationships with clients, with main factors including Voice of Customer client satisfaction surveys for each business group that are carried out annually to gauge the clients' expectation and satisfaction level and hear the customer feedback. That results in central customer database system to study the customers' needs, create long-term satisfaction, and develop new innovations based on clients' deep requirements such as developing innovation covering knowledge management, e-Service, e-Selling and business warehouse systems in Customer Feedback Process; resulting in our central client database system for selling and servicing. There is also the clients' consuming behavior data analysis system which helps us learn more about clients' needs and to bring them long-term satisfaction.

4) Business Partners

The Company follows the honest competition framework, adhering strictly to the agreements, ethics, and promises given to partners by considering proper and fair buying prices according to price reasonableness, qualities, and services received. Rules for procurement of supplies and its proceedings are clearly set: not requiring or accepting any stuff or benefit from partners, supporting partners who supply environmentally friendly products; avoid procuring from partners which violate human rights or intellectual rights; and not dealing with partners which engage in illegal operations or actions opposing peace and morals.

5) Suppliers

The Company has policies to take care of its business partners both in the field of environment and occupational safety, consider proper and fair compensations, and control suppliers to pay compensation to workers not less than the law limit, give a chance to suppliers to meet its executives, and accept opinions to ensure that the operational target will be achieved. Moreover, the Company supports the development of competence and knowledge both inside and outside their fields of expertise, for better working efficiency among its employees and business partners.

The Company has established TPC Supplier Code of Conduct, for suppliers—dealers and people employed and/or provide services to the Company—to ensure that business partners gain thorough understanding. The Code of Conduct will be a guideline for business partners to behave well, and govern the corporation showing concern for society and the environment. It will be used as a standard for cooperating businesses, with 5 principles as follows: (1) Business ethics, (2) Labors and human rights, (3) Occupational hygiene and safety, (4) Environment, and (5) Laws and regulations. The Company's business partners are required to sign the business ethics agreement before starting business.

6) Joint Venture Partners

The Company respects joint venture partners' rights and treats them fairly, and cooperates well with them to promote and support the successful operation of the joint venture. It encourages the exchange of opinions, suggestions and joint-consideration of business plans, as well as proper and transparent distribution of benefits. To make the joint venture succeed as expected, it operates based on the legal framework and sustainable development guidelines.

7) Creditors

The Company treats creditors fairly and transparently, strictly adhering to conditions and agreements in the straightforward way without dishonesty or concealing any important information or facts that may cause damage to creditors and pay back its loan together with interests completely and on time to creditors.

8) Communities

The Company's business operation is fair to every stakeholder and it adheres to the ideals of social responsible business operation, by supporting activities aimed at improving the quality of life and to benefit the communities and societies in which the Company operates, both in Thailand and foreign countries. It also raises awareness among employees and stakeholders for the need for good conduct, responsibility and the need to bring benefit to communities and societies. It looks after environment surrounding societies, develops potential and abilities of youth in communities, urgently eases worries of people in troubles in the communities, as well as develops community members' capability and livelihood, promotes medical and public health activities/programs for better hygienic health and life quality of community members, and supports and promotes activities regarding arts, culture preservation, and religion maintenance. Furthermore, it offers opportunities to communities and stakeholders to jointly participate in activities or projects and express their opinions, suggestions or complaints resulting from the Company's operations, in the hope of creating a sustainable cooperation between the industry and community.

9) Government Agencies

The Company values government agencies as its stakeholders and establishes practices in conducting transactions with the government in Ethics and Anti-corruption policy. It will strictly follow the applicable laws and practices that may vary with conditions, procedures or practices in each area, and will not carry out any action that may induce employees in the government agencies to have improper actions, but instead, cooperate with the government agencies in the field of academic matters and activity support, as well as listen to opinions, suggestions or complaints from the government agencies.

10) The Media

The Company acknowledges the importance of disclosing news and information to the media who forward them to the public correctly and quickly. The Company places importance on giving information quickly, correctly,

openly, and in a transparent manner. In addition, the Company organizes activities to continually encourage participation by the media and to build good relationship with them, such as through business and factory visits, the Company's social activities, opinion exchange, and activities based on the Media's interests, and offers support for journalists' academic and social activities.

11) Competitors

The Company is committed to fair dealing, integrity, and transparency, in compliance with the law and ethics. It does not seek any illegal advantage over rivals or confidential information by means of dishonest or improper methods, does not conduct any action which violates competitors' intellectual rights, abstains from groundlessly defamation of competitors, and supports and promotes free trade, avoids any agreement to decrease or limit trading competition with competitors.

12) Civil Society, Academia and Opinion Leaders

The Company considers its responsibility to society and every stakeholder, and therefore releases business operation information that is complete, correct, transparent and verifiable. Viewpoints, opinions and suggestions from civil society are also considered by the Company, to reflect on several issues that it can improve on to add value and benefits to society and to create joint guidelines for sustainable business operation.

Contact Channels for Stakeholders

The Company gives stakeholders an opportunity to offer their opinions to the company secretary via the following channels. The suggestions will be collected for screening and be reported to executives and the Board of Directors.

Company secretary Telephone: 0-2586-6099
Email: contact_tpc@scg.co.th

Moreover, the Company provides channels for employees and external stakeholders to contact, give their opinions, complain, and report dishonest actions via Whistleblower System in the intranet (for employees) and via the website: www.thaiplastic.co.th (for other stakeholders) to take the following proceedings.

- Employees or stakeholders can share their opinions via the specified channels. The involved information will be deemed confidential and will be revealed as necessary. The Company has protection measures in place for whistle-blowers or reporters. Any inspection will be made without revealing the whistle-blowers or the source of information. In addition, whistle-blowers can ask for proper protection measures from the Company or the Company may set protection measures without any request from whistle-blowers if it foresees the issue posing damage or insecurity.
- The Audit Office will investigate the complaints and consider the possibilities, seek for initial facts in every step needed to establish the truth within 30-60 days. The progress will be reported to reporters, should reporters' identities are identified.
- In cases where the wrongdoing has indeed occurred, a commission of inquiry will be set up to judge and consider penalties, and report the dishonesty and complaints to a commission of inquiry and the Board of Directors.

4. Disclosure and Transparency

The Company focuses on information disclosure as it may affect the decision of investors and stakeholders. It is therefore necessary to control and set measures for the disclosure of information, financial and non-financial, in accordance with the law. The information should include complete main points; be adequate, transparent and credible; and be published on time in Thai and English via SET Portal system provided by SET and the Company's website.

Moreover, the Board of Directors is committed to the practice of disclosing information that pertains to the Company, so as to systematically organize the release and to prevent possible damages arising from incorrect information being improperly released, and to assure shareholders, public investors or stakeholders that the Company's information disclosure is correct,

complete, and timely pursuant to the laws and equal under the disclosure policy. The people authorized to release important information which have yet to be disclosed to the public are governed by codes of conduct which specifies the types of information which can be disclosed to the public, as well as the sensitive period during which extra caution should be exercised before disclosure. Details of the practices are published for stakeholders and the general public on the Company's website.

The Company strictly adheres to laws and regulations in the manner prescribed by SET, SEC and other government agencies and regularly monitors the changes to ensure that laws and regulations the Company complies with are correct, and shareholders can trust its transparent open operations in

1. Preparing reports regarding the directors and executives required by applicable laws and submitting reports to SEC as follows:
 - 1.1 Shareholding report when being appointed as a director or an executive for the first time (Form 59-1) within 30 working days since the day of assuming the position.
 - 1.2 Shareholding change report, when buying, selling, transferring, or receiving of the Company's shares occurs (Form 59-2) within 3 working days since the change occurs.
 - 1.3 Listing people in the list of the Board of Directors and executives of the Company issuing shares (Form 35E-1) within 7 working days since the day taking the position.
2. The Company establishes a policy that requires the Directors and Executives to report their own interests and those of any related persons, which are vested interests relating to the Management of the Company or its subsidiaries. The regulations and procedures are as follows:
 - Report when taking the position of an executive or a director for the first time

- Report every change of interest
- Report every year-end
- In case that a director is out of office and back to the position of a director again without gap, the director does not have to resubmit the form if his interest does not change
- The directors and executives should submit their interest report to the Company secretary, who will forward them to the Chairman for acknowledgement within 7 working days from the date the Company has received the report

3. The Board of Directors establish a policy requiring directors to present / report the Company's general share sales / holdings during the Board of Directors' meeting every time, as well as to report general shares of its subsidiaries being held by directors and executives and general share holdings of their spouses and children who are minors to the Board of Directors every quarter.

Moreover, the Board of Directors sets a policy requiring executives to disclose their shareholdings both directly and indirectly (executives' spouses and children who are minors) and the changes in shareholdings of directors and executives; disclosing the number of shareholdings at the beginning and the end of the year and being bought or sold during the year in the annual report.

4. Prepare a report of the Board of Directors' responsibility which is to be included in the financial report, and present the report together with an auditor report in the annual report.
5. Disclose financial and non-financial information correctly and on time.
6. Publish the notice of the Annual General Meeting of Shareholders and the annual report within 120 days from the end of the fiscal year.

7. Publish the minutes of the latest Annual General Meeting of Shareholders on the Company's website.
8. Disclose the role and duties of the Board of Directors and its committees, the number of meetings held, and the number of meetings attended by each director.
9. Disclose the date of appointment of the Board of Directors in the annual report.
10. Disclose the nomination and performance assessment of the directors.
11. Disclose the compensation policy for the Directors and Executives including the types and amounts of compensation received by each of them for their appointment as Committee members.
12. Disclose the information of participation for every training course for directors hosted by IOD.
13. Disclose the operation and investment structures in its subsidiaries and associated companies.
14. Disclose audit fee and other service fees in the annual report.
15. Publish the Company's prospectus and regulations on its website.
16. Report on environment and social policy and its results.
17. Report on corporate governance policy and its results.
18. Publicize important investment projects and effects to the project by posting information via SET Portal system and the Company's website in order for shareholders, investors, journalists and related parties to acknowledge and gain access to transparent information.

The Company's information distribution channels

The Company focuses on disclosing complete, correct and transparent information such as financial data,

operation results and other related information apart from publicizing information under the requirement of laws. The Company also develops communication channels to convey information and news via several forms of media for the benefit of related parties such as: publicizing information via www.thaiplastic.co.th; publishing news via the media, in several forms such as public relations news, news photos, articles and other social media; holding business and factory visit activities for shareholders, investors, analysts, community academicians, the media and related parties; holding meeting activities for employees to clarify business operation policies, guidelines and operation results; and publicizing news and information to employees via electronic media such as intranet email and social media.

For more information, investors or stock analysts can contact Planning Unit via these channels:

- Address: 1 Siam Cement Rd., Bangsue, Bangkok 10800
- Telephone: 0-2827-7282
- Fax: 0-2827-7273
- Email: BDTPC@scg.co.th

5. The Responsibilities of the Board of Directors

1) Structure of the Board of Directors

The Board of Directors consists of experts with experiences in related business and industries, who are nationally accepted as key players in setting the Company's policies together with executives to plan the operation both in the short and long term, as well as establish financial policies, risk management, and overall image of the organization. They play important roles in freely controlling, inspecting and assessing the Company's operation results and the executives' performance.

The Company's regulations require the number of directors to be no less than 7 persons and the directors

should be appointed and removed at the Shareholders' meeting. In the present (as of 27 January 2015), the list of nine directors is as follows:

1. Mr. Cholanat Yanaranop	Chairman
2. Mr. Dhep Vongvanich	Director and Chairman of the Remuneration Committee
3. Mr. Prawit Ninsuvannakul	Independent Director and Chairman of the Audit Committee
4. Mr. Roongrote Rangsiyopash	Director
5. Mr. Somchai Kongsala	Independent Director, Member of the Audit Committee and the Remuneration Committee
6. Mr. Somchai Wangwattanapanich	Director and Nomination and Remuneration Committee
7. Mr. Apiporn Pasawat	Independent Director and Member of the Audit Committee
8. Mr. Aviruth Wongbuddhapitak	Director
9. Mr. Suchai Asvathavornvanit	Director and Managing Director

The Board of Directors consists of one director who is of executive level, a managing director, and 8 directors who are non-executives. Those non-executive directors

have working experiences and have been involved with the Company's businesses or in industry sectors or organization management that benefits the Company's operation.

The Company has 3 independent directors. Their duties are to inspect the management's operation; express their opinions and suggestions; support policies for the benefit of shareholders, stakeholders, and public; or oppose the Company's unfair or obscure decisions that may affect the benefits of shareholders and other stakeholders; and to order the Company to reveal the important related transactions, to ensure that the Company and shareholders will gain maximum benefits.

2) The Board of Directors' scope of duties

The Board of Directors should manage the business for the utmost benefits of the shareholders or have Fiduciary Duty, adhering to 4 important practices as follows:

- Duty of Care: performing duties with responsibility, carefulness and circumspection
- Duty of Loyalty: performing duties with honesty
- Duty of Obedience: complying with laws, objectives, the Company's Articles of Association, the Board of Director's resolutions and the Shareholders' Meeting's resolutions
- Duty of Disclosure: revealing correct, complete, transparent, accountable, and timely information to shareholders

The Board of Directors' duties are as follows:

1. Perform the actions pursuant to the laws, objectives, and Articles of Association of the Company and the shareholders' meeting resolutions, with honesty and care, to protect the Company's benefits;
2. Establish regulations and keep them up-to-date and appropriate for
 - The Company's operation plan;
 - Budgets and annual plan;

3. Inspect and control the Company's operation according to the plans specified in Item 2 above;
4. Be responsible for
 - The Company's investment,
 - Fixed assets selling,
 - Business and office selling/ reduction discontinuing and dissolution
 - Establishing new business or office,
 - Conducting legal transactions and contracts or any action that is bound to the Company,
 - Risks in foreign exchange rate, future marketing involved with selling and supplying,
 - Subsidiaries and joint venture investment,
 - Investment policies and subsidiary management;
5. Propose the following agendas in the shareholders' meeting for consideration:
 - Capital increase or reduction,
 - Issue of shares and other bonds,
 - Amendment to Memorandum of Association and Articles of Association,
 - Statement of financial position and Statement of incomes,
 - Appropriation of net income and dividend payment,
 - Auditors' appointment and Auditors' remuneration,
 - Carrying out duties required by SET such as connected transactions or acquisition and disposition of significant assets.

While on duty, the Board of Directors may ask for advice from external independent consultants or experts in other fields as and where necessary and appropriate.

3) Duties of the Chairman

The Chairman should have the following duties:

1. Set the meeting agendas for the Board of Directors together with the managing director

and ensure that the Board member receive correct, complete, and clear information in a timely manner, before the meeting, to enable the Board to make proper decisions;

2. Be a leader for the Board of Directors and a chairman in the Board of Directors' meeting;
 - 2.1 Carry out the Board of Directors' meeting according to the agendas, the Company's regulations and laws;
 - 2.2 Allocate adequate time and encourage every member in the Board to discuss, freely express opinions, and carefully exercise discretion, while thoroughly considering for every stakeholder;
 - 2.3 Clearly summarize the meeting's resolutions and to-do tasks;
3. Be a leader in the shareholders' meeting as specified in the agendas, the Company's regulations and laws, by appropriately allocating time; giving shareholders opportunities to equally express their opinions and respond to shareholders' questions appropriately and transparently;
4. Support and be a role model in adhering to the Company's good corporate governance and ethics;
5. Promote good relations between the Board of Directors and management and promote the actions of managing directors and management under the Company's policies;
6. Control the transparency of information release and management in cases where conflict of interests occur;
7. Control suitability of the structure and compositions of the Board of Directors;
8. Control the overall performance of the Board of Directors, committees, and each director efficiently and effectively;

9. Control the overall performance assessment of the Board of Directors, each individual director, and subcommittees to improve the performance based on the results and upgrade the skills and knowledge of the Board of Directors and subcommittees.

4) The Board of Directors' authorization

The Board of Directors has authority to approve issues of the Company under relevant laws, the Company's Articles of Association, the committees' charters, and the shareholders' meeting resolutions, including setting and revising visions, main plan implementation strategies, risk management policies, annual budget plans and business operation plans, medium term business plans, setting expected targets for operation results, following up and assessing the operation results as planned, managing capital expenditures, mergers, separations, and joint ventures.

5) Duty allocation between the Board of Directors and Management

The Company clearly separates duties and responsibilities between the Board of Directors and those of the management; the Board of Directors sets policies and controls the management's performance at the policy level, and management carries out tasks in many fields as required by the policies. Therefore, the Chairman and managing director will be separate individuals. Both positions should be selected by the Board of Directors in order to find the most suitable person, and the Board will set and revise the executive succession plan regularly.

The Chairman is a non-executive director, and therefore does not take any part in managing the Company in order to clearly separate the duties of overall policy governance and those of management.

Management is authorized to carry out operations under policies set to be responsible and which are aligned with the overall operation result, control expenses and investment budget set out in the limit by the Board in annual plan, carry out actions in accordance with human policy, solve problems or conflicts affecting the

organization, and maintain effective communication with related parties.

6) Term of the Board of Directors

Duration of the term of the Board of Directors

The Company's regulations set the duration for each term of the Board of Directors under Public Limited Companies Act. In the Annual General Meeting of Shareholders, one third of directors should retire from office. If the number of current directors cannot be divided by three, the number of directors retiring from office should be closest to one third. The directors being in office for the longest time should be retiring from office. Presently, the Company has 9 directors; each will be in office for 3 years. However, a retiring director is eligible for re-election.

7) Policy of taking position in external organizations of the Board of Directors and Executives

Limitation of number of registered companies in which the Board can take position

The Board of Directors establishes a policy limiting the number of registered companies in which the Board can take position in, this policy aims to ensure that the Company benefits from Board members who can dedicate their time to effectively perform their duties. The policy is set to limit the number of positions board members can take up in registered companies to no more than 5 companies in total. Furthermore, should board members take up positions in other companies, they are to propose the issue of their appointment with other companies to the Board of Directors for approval.

Policies and practices for being a director in external organization

The Company develops a policy allowing the Board of Directors and executives to be either appointed as directors in other companies that are neither its subsidiaries nor its associated companies or to work in external organizations within the Company's office hours in 3 cases as follows:

1. Being a director in the government agency that is not established for the benefits of a political

party and the action is deemed as government support that will benefit the public;

2. Being a director in a private organization established for public benefits such as the Federation of Thai Industries, Thai Chamber of Commerce, Thailand Management Association.
3. Being a director in private organizations established for commercial purposes without competing against the Company's interests or taking the Company's time.

The Board of Directors should propose the appointment with other companies or external organizations to the Board of Directors for approval and in cases of executives, the issue should be proposed to a managing director. The issue should be considered based on the Company's intention to having committed and diligent employees who fully dedicate their time to work for the Company and follow the Company's ethics concerning conflict of interests, which states that employees should not run any business that is or may compete with the Company's business. Approving employees to be directors or work for external organizations/ companies during the Company's work hours is at the Company's discretion and is considered based on the suitability of each case.

8) Operation Result Assessment and Knowledge Development

The Board of Directors' Performance Assessment

The Company assesses the performance and review the performance of the Board of Directors and Audit Committees annually, at least once per year. The assessment can be divided into 2 categories, these being the Board of Directors' performance assessment as a whole, and self-assessment. The Board of Directors will analyze and summarize the assessment results to establish measures for improving performance efficiency of the Board of Directors and subcommittees.

The Board of Directors' performance assessment as a whole and self-assessment consist of 8 main items as follows:

1. Knowledge and comprehension in the position of a director as required by laws and regulations

of agencies or institutes such as SEC, SET or Federation of Accounting Professions;

2. Strategy setting and policy making;
3. Performance of duties as director/ committee
4. Monitoring financial performance and reporting
5. The Board of Directors' meeting;
6. Director and managing director nomination;
7. Remuneration for senior directors and executives; and
8. Managing director performance assessment.

Performance assessment processes include: to conduct the Board of Directors' operation result assessment and self-assessment, the Board of Directors consider and approve a performance assessment form for the Board of directors and Audit Committee, then the Company Secretary submits the assessment form to every director to assess the performance of the Board of Directors and Audit Committee. After that, the Company Secretary summarizes and presents the results to the Board of Directors for acknowledgement.

In 2014, the Board of Directors and subcommittees' performance assessment results were as follows:

The Board of Directors/ subcommittees	The Board of Directors' performance assessment as a whole (Full scores: 5)	Self-assessment (Full scores: 5)
1. The Board of Directors	4.54	4.61
2. Audit Committee	4.73	4.53

The Board of Directors acknowledges the assessment results and improves the operation of the Board of Directors and Audit Committees, especially in regularly providing information of changes of laws, regulations and practices for registered companies to Directors.

Managing Director Performance Assessment

The Board of Directors together with the Nomination and Remuneration Committees assess the managing director's performance by considering business operation results and operations under the policy set by the Board of Directors together with overall economic and social situations. The Nomination and Remuneration Committees will use the information when considering the remuneration of a managing director and propose to the Board of Directors, by considering information of the present year and comparing them to the past information across multiple aspects as follows:

1. Consider business operation results from percentage of EBITDA on Operating Assets, in which targets will be set every year as an assessment and comparison criteria;
2. Compare the business operation results with results in the same industry, both domestically and internationally; and
3. Consider the business development ability and operation effectiveness improvement in each business annually.

Director and Executive Development

The Company always invites the Board of Directors and executives to participate in courses useful for their operation and exchange opinions with the likes of other organizations. The courses include those offered by the Company's training unit and by the government's governance unit or independent organizations such as IOD's director courses that SEC require directors of the registered companies to pass; at least one course from these three courses: Director Certification Program (DCP) Director Accreditation Program (DAP) and Audit Committee Program (ACP). This is for directors to utilize their knowledge and experience in developing the organization.

To support the Board of Directors' operation, the Company provides the Company Secretary to cooperate between the Board of Directors and management team. In addition, the Company's secretary ensures coordination in related legal and regulation matters, the Board's activities, and follow-ups for the operation under the Board's resolutions.

Developments and trainings participated by Directors in 2014

Directors			Details
1.	Mr. Cholanat	Yanaranop	<ul style="list-style-type: none"> Participate in the talk in the topic of "The Role of the Board of Directors in Strategy Formulation and Business Planning" held by Governance Matters Pty Limited (Australia)
2.	Mr. Prawit	Ninsuvannakul	<ul style="list-style-type: none"> Participate in the 19th national accountant meeting seminar in the topic of "Accountants' roles in the next decade" Participate in the summarizing seminar for understanding and main issues of all TFRS for NPAEs, No. 5/57 Participate in seminar "Overview of Thai financial report and auditing standards", No. 5/57 Participate in KPMG Audit Committee Forum at KPMG
3.	Mr. Somchai	Wangwattanapanich	<ul style="list-style-type: none"> Participate in the talk in the topic of "The Board of Directors in Strategy Formulation and Business Planning" held by Governance Matters Pty Limited (Australia)

Other Directors were unable to participate in trainings held by external institutions because the course schedule was in conflict with the Directors' important missions.

New Director Orientation

In the case of a newly nominated director, the Company develops a director induction program to train new directors to operate as fast as possible, with the help of a Company secretary to cooperate in these 3 fields:

1. Collecting necessary information related to directors for the benefit of ensuring the director-related law compliant;
2. Delivering information important and necessary to the Board's operation such as the Company's prospectus and regulations, the Board of Directors manual, a manual for directors in registered companies, and operation result summary, for the Board to have references and be able to perform initial search; and
3. Arranging discussion sessions for the Chairman, directors, management or department managers to acknowledge and question for insights of the Company's business operation.

Sub-committee

The Board of Directors appoints sub-committees are Audit Committee and Nomination and Remuneration Committee to perform specific duties and presentation to the Board of Directors to consider or acknowledge. The Sub-committee Charters are set to specify duties and responsibilities and are published in the Company's website. The Board of Directors may appoint other specific sub-committee depending on appropriateness or changing situations.

Audit Committee

The Audit Committee consists of 3 independent directors. Mr. Prawit Ninsuvannakul is a member with adequate knowledge and experiences to audit the reliability of financial statements, auditing the operation to ensure correctness under the policies and regulations, laws, practices, and rules of the governing unit; supporting the development of financial and accountant report system to meet international standards; and ensuring that internal control, internal audit and risk management are concise, appropriate, up-to-date, and effective. Audit Committee can perform the duties and freely express opinions.

In the present, Mrs. Supaluk Termvoratham performs audit work and reports the results directly to the Audit Committee, and also consults with the auditors, advisors and legal and accountant experts regularly. The Audit Committee holds a meeting with auditors without management at least once a year to ask for auditors' opinions in several matters.

The Audit Committee consists of 3 persons as follows:

1. Mr.Prawit Ninsuvannakul	Chairman of the Audit Committee
2. Mr. Somchai Kongsala	Member of the Audit Committee
3. Mr. Apiporn Pasawat	Member of the Audit Committee

Term of the Audit Committee

The Audit Committee members are appointed for terms of three years. At the expiry of one such term, the Audit Committee member may be elected for another similar term.

The Scope of Authority and Duties of the Audit Committee

(latest revised as of 27 January 2014)

The Audit Committee shall assume the following duties:

1. Monitor and review the system of financial report and disclosure of information in financial statements to be in accordance with accounting standards as required by the Federation of Accounting Professions explicitly, correctly and adequately.
2. Promote the development of financial report system to the extent of standard equal to that required by the Federation of Accounting Professions.
3. Review that the Company exercising its Internal Control in accordance with Internal Control Framework (COSO 2013) and Internal Audit suitably and efficiently as per the internationally accepted procedures and standards which are generally accepted.

4. Consider "Assessment of the adequacy of the internal control system" as determined by The Securities and Exchange Commission and as audited and assessed by Internal Auditor to ensure that the Company has sufficient internal control system and propose to the Board of Directors for consideration.
5. Monitor the Company to exercise passive function useful for all work units in order to increase quality and efficiency to gain better performance.
6. Review the Company's corporate risk management system.
7. Review the Company's compliance to the securities and exchange act, rules, regulations and other laws relevant to the Company's business.
8. Review the Company's internal process about notification of possible dishonestly and receipt of complaints in order to prevent dishonestly in the organization.
9. Review the accuracy and effectiveness of the system of information technology related to internal control, financial report and risk management and suggest the modern ways of improvement thereto.
10. Review related transaction or transactions of conflict of interests to comply with the law and requirements of the SET in order to be confident that said transactions be reasonable and at most benefits to the Company.
11. The Audit Committee evaluates result of the Audit Committee's overall performance and to self-evaluate his/her own performance annually.
12. Propose for the appointment, monitor, review and comment on the performance of the Audit Service Provider and co-ordinate with the auditors, as well as to confer such resolution upon the termination of Internal Audit Service Provider and co-consider the service fee with the management.
13. Monitor the evaluation of internal auditing performance of the Audit Service Provider to be in accordance with the international standard.
14. Prepare the report on transaction monitoring of the Audit Committee by disclosing in the Company's Annual Report. Said report must be signed by the Chairman of the Audit Committee and must consist of the following information:
 - 1) Comment on accuracy and adequacy of the Company's financial report.
 - 2) Comment on suitability of the Company's internal control system.
 - 3) Comment on compliance with the laws of securities and SET, SET's requirements or laws relevant to the Company's business.
 - 4) Comment on fitness of the Auditors.
 - 5) Comment on transactions with possible conflict of interests.
 - 6) Number of meeting of the Audit Committee and meeting attendance of each member of the Audit Committee.
 - 7) Overall comment and notice the Audit Committee obtained from the Company in line with conduct of duty by the Charter.
 - 8) Other transactions deemed to be known to shareholders and general investors under scope of duty and responsibility assigned by the Company's Board of Directors.
15. Consider, select and propose for the appointment of the competent and independent persons to be the Company's auditors, propose the remuneration and termination of the auditors, evaluate the independence of the auditors and their performance effectiveness and to convene joint meetings with the auditors at least once a year without the management.
16. Review and consider for approval the quarterly financial statements on behalf of the Company's

Board of Directors and consider the annual financial statements.

17. Upon the Audit Committee being informed of the auditors' discovery of a suspicious circumstance that demeanors of the Managing Director or person(s) in charge of the Company's businesses offend Clause 281/2 - paragraph 2, Clause 305, Clause 306, Clause 308, Clause 309, Clause 310, Clause 311, Clause 312 or Clause 313 of the Securities and Exchange Act, the Audit Committee shall then be required to conduct the auditing process of such circumstance and report the preliminary result thereof to the Office of Securities and Exchange Commission and the auditors within thirty (30) days from the date of being informed by the auditors.

18. In case there should expose or exist reasonable doubt, during execution of the Audit Committee's duties, that following transactions or conducts might have an impact with significance upon the Company's financial status and result of performance, the Audit Committee shall be required to report to the Company's Board of Directors to improve and rectify within the period of time as deemed appropriate by the Audit Committee.

- 1) Transactions with conflict of interests
- 2) Fraud or abnormality or error in materials in the internal audit system
- 3) Violation of the laws of Securities and Exchange, SET's requirements or the laws relevant to the Company's businesses

If the Board of Directors of the Company or the executives should fail to rectify or improve such the above within the period of time as defined by the Audit Committee, anyone of the Audit Committee's members may then report such transaction or conduct the Office of Securities and Exchange Commission or SET.

19. Review the propriety of corporate governance policy and guidelines.

20. Oversee and monitor the performance of the Company's Board of Directors to ensure their compliance with the Company's corporate governance policy and make recommendations on corporate governance to the Board of Directors.

21. Consider the Company's policy and practices of corporate governance to ensure its suitability to business operation

22. Recommend to the Board of Directors for further improvement and keeping Company's policy and practice of corporate governance up-to-date.

23. Report the performance to the Board of Directors at least 4 times a year

24. To engage in other work tasks as assigned by the Company's Board of Directors with consent of the Audit Committee

In performing the duties under the scope, the Audit Committee holds right to call or inform the management, head of the department or related employees to express opinions, participate in the meeting or submit related and needed documents, as well as seek for independent opinions from other occupational advisers as necessary. The incurred expense belongs to the Company.

The Audit Committee performs the duties within its scope of duties and responsibilities as assigned by the Board of Directors. The Board of Directors is responsible for the Company's operation directly to the shareholders, stakeholders, and ordinary people.

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 3 members of the Board of Directors, all of who are not executives but one is an Independent Director. The Committee is responsible to set the nomination process of the Board of Directors, consider the people with proper qualifications to be the member of the Board of Directors, study and consider the changes and tendency in remuneration of the Board of Directors and executives to propose the remuneration policy to influence the

executives to better manage the Company's business and retain skilful and good people to work for the Company.

The Nomination and Remuneration consists of 3 members as follows:

- | | |
|----------------------------------|--|
| 1. Mr. Dhep Vongvanich | Chairman of the Nomination and Remuneration Committee |
| 2. Mr. Somchai Kongsala | Member of the Nomination and Remuneration Committee and Independent Director |
| 3. Mr. Somchai Wangwattanapanich | Member of the Nomination and Remuneration Committee |

Term of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee members are appointed for terms of three years. At the expiry of one such term, the Nomination and Remuneration Committee member may be elected for another similar term.

The Scope of Authority and Duties of the Nomination and Remuneration Committee

(latest revised as of 27 January 2014)

The Nomination and Remuneration Committee shall assume the following duties:

1. Consider and review the qualifications of the people who will be a member of the Board of Directors if they match the Company's business operation strategies.
2. Set the nomination process of the Board of Directors nomination to replace the member that completes his term or in other cases.

3. Consider and nominate the people with proper qualifications to be a member of the Board of Directors to replace the member that completes his term or in other cases by selecting people with several qualifications in skills, experiences, genders, and specific skills beneficial to the Company to propose to the Board of Directors and/or the Shareholders' meeting for consideration.
4. Review the independency of the Board of Directors including conflict of interest that may occur in Director's duty performance and consider the appropriateness of the position in case that the Board of Directors' qualifications change.
5. Consider the Managing Director inheriting plan to propose to the Board of Directors for consideration.
6. Propose guidelines and methods for payment of remuneration to the Board of Directors and subcommittees appointed by the Board of Directors, including annual bonus and attendance fee.
7. Recommend remuneration policy for the Managing Director, including salary and annual bonus, that accord with the operating results of the Company and the performance of the Managing Director on an individual basis, and, if deemed appropriate, the Committee shall consider hiring of consulting firms for advice.
8. Evaluate the performance of the Managing Director and propose remuneration, to be submitted and approved annually by the Board of Directors.
9. Consider the budget for raises and increases in salaries and other forms of remuneration, including annual awards for employees, and to annually submit proposals thereon to the Board of Directors for its approval.

10. Regularly consider, review, study, and monitor changes and trends in the remuneration for the Boards of Directors and Managing Director to propose to the Board of Director for approval.
11. Consider the remuneration for the Boards of Directors, sub-committees, and Managing Director of companies compared to leading registered companies in the same line of business, so that the Company may continue to maintain leadership in its industry and provide motivation for ongoing progress in management.
12. Report on progress and results of its work to the Board of Directors after every meeting of the Nomination and Remuneration Committee.
13. Evaluate the results of the Nomination and Remuneration Committee's own work and inform the Board of Directors of that evaluation.
14. Review and propose to the Board of Directors any changes in the regulations concerning the Nomination and Remuneration Committee that would make its work more appropriate and up to date.
15. Perform any other duties assigned to it by the Board of Directors.

In performing duties the duties under the scope, the Nomination and Remuneration Committee holds right to call, order the management, head of the department or related employees to express opinions, participate in the meeting or submit related and needed documents, as well as seek for independent opinions from other occupational advisers as necessary. The incurred expense belongs to the Company.

Nomination and Appointment of the Board of Directors and Executives

Independent Directors

The Company has three Independent Directors, which are Mr. Prawit Ninsuvannakul, Mr. Somchai Kongsala and Mr. Apiporn Pasawat.

Qualifications of Independent Director in accordance with the Notification of the Capital Market Supervisory Board are as followed;

1. holding shares not exceeding one percent of the total number of shares with voting rights of the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such Independent Director;
2. neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years. Such prohibited characteristic shall not include the case where the Independent Director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company.
3. not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, other director, executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the company or its subsidiary company;
4. neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years.

The term 'business relationship' under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

5. neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years.
6. neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two millions Baht per year from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years.

7. not being a director appointed as representative of directors of the Company, major shareholder, or shareholder who is related to major shareholder;
8. not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company, or not being a significant partner in a partnership, or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the similar nature and in competition to the business of the Company or its subsidiary company;
9. not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

After being appointed as Independent Director with the qualifications under 1-9, the Independent Director may be assigned by the Board of Directors to take part in the business decision of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, provided that such decision shall be in the form of collective decision.

In 2014, three Independent Directors of the Company did not have any business relationship or professional services of amount exceeding the amount set under the Notification of the Capital Market Supervisory Board governing the applying for an approval and approval for the offering of newly issued shares.

Nomination of Directors and Executives

Director Nomination Process

The Nomination and Remuneration Committee is responsible for selecting qualified candidates to replace the directors who are retiring on rotation at the end of their terms, or whatever the case may be, and proposing

a list of nominees to the Board for resolution at the Shareholders' Meeting. The procedures of Directors Nomination are as followed;

- Selection of the Board of Directors according to Good Corporate Governance

The Nomination and Remuneration Committee is responsible for selecting qualified candidates to replace the directors who are retiring on rotation at the end their terms or whatever the case may be. Such candidates are to be proposed to the Board of Directors and/or the Shareholder Meeting for voting. The Nomination and Remuneration Committee select candidates who are qualified, have expertise in diverse fields, possess traits of leadership, vision, moral, integrity and transparent, unblemished resumes and are capable of expressing independent opinions.

- Screening Process for nominated individuals

To screen for the list of nominated individuals for the post of Director, the Nomination and Remuneration Committee should define a guideline for the consideration based on the following attributes;

1. Required Qualifications of each director

The Nomination and Remuneration Committee should consider and determine characteristics of those to be proposed as Director, for example;

- Being moral and highly responsible
- Make a decision based on information and reasonable ground
- Being mature and emotionally stable, a good listener and express his or her opinion uniquely and independently
- Adhere to principled implementation and professional standards
- Other attributes considered as important by the Nomination and Remuneration Committee

2. Required Knowledge and Expertise of the Board of Directors

The Nomination and Remuneration Committee should consider specific knowledge and expertise the Board of Directors are required to possess, so that the Board of Directors will be able to determine a strategy and policy, including effectively controlling the compliance of the strategy.

3. Diversity of Directors

In addition to two attributes as mentioned above, the Nomination and Remuneration Committee might consider diversity of the Board of Directors' attributes, for example; individuals who come from various stakeholder groups, have different educational background, age, gender, etc.

Rules and Procedures for the Election of Directors

1. In the nomination of individuals to be elected in the meeting of shareholders as Directors to replace those whose terms have expired, Nomination and Remuneration Committee shall select the individuals and propose to the Board of Directors before proposing to the Shareholder Meeting. Every shareholder is equally entitled to nominate other individuals. The shareholders are authorized to elect any individual as a Director.
2. One shareholder shall have votes equal to the number of shares held with one share bearing one vote.
3. Each shareholder may exercise all the votes he has to appoint one or several persons as Directors; however, he shall not divide his votes for any such persons to any extent.
4. The candidates shall be ranked in descending order from the highest number of votes receives to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. In the event of equal votes among the persons last so appointed, making the number exceed the set number of Directors of the Company, the presiding Chairman is entitled to cast a final vote.

Nomination of Executives and Succession Plan

The Company has an appropriate and transparent nomination plan to select an individual to take an important responsibility to ensure that the Company will obtain a professional executive who is able to execute independently from major shareholders as well as other shareholders. The Nomination and Remuneration Committee are responsible for making a succession plan for the post of Managing Director and it is proposed to the Board of Directors for consideration. The nomination process starts from selecting individuals who are talented and good for the job. It focuses on recruiting young talents. All of them are prompted and prepared for an opportunity to become a leader in the future. They have to pass the high potential evaluation process and everyone is developed through Individual Development Plan. Challenging tasks are given as well as circulating the tasks in order to develop leadership skill and proficiency. The Individual Development Plan is used for the staff from all levels so each of them is prepared and prompted to fill a vacant post.

Control of Subsidiary and Associate Company

In order to perform the governance of the Subsidiary and Associate Company according to the Company's business policy, the Board of Directors determine mechanisms to control the operation and are responsible for the Subsidiary and Associate Company's operations through decentralizing and authorizing Managing Director to control and operate the matter instead of the Board of Directors. For example, he is responsible for considering an individual for the Company's representative to be Director, Executive or the controlling person, and then the result is reported to the Board of Directors.

The number of representatives to be sent by the Company is based on proportion of shareholding in the Subsidiary and Associate Company. However, for reasonable protection of interest related to the Company's investment, Managing Director presents the performance of Subsidiary and Associate Company in the Board of Directors' Meeting for each quarter.

Moreover, to enable the Company's representative to appropriately control the operations of Subsidiary and Associate Company according to the Company's business policy, authority and responsibilities related to determining significant policy of Directors and Executives who will be the Company's representatives are determined through making a handbook for the Subsidiary and Associate Company. The handbook allows the representatives to perform their tasks conveniently. The Company shall review the handbook regularly to accord with each Subsidiary Company and Associate Company in the country and foreign countries.

The control mechanisms related to disclosure of financial information and performance, transactions between Subsidiary Companies and/or Associate Companies and related person, acquisition and disposition of assets, or significant and complete transactions are appeared in the regulations of Subsidiary Company and Associate Company. It is determined that the transactions or operations as mentioned above are to follow the rules and approaches as stated in the Notification of Capital Market Supervisory Board as determined and enforced.

In addition to the handbook to ensure the efficiency of operation, the Board of Directors who are the controlling person also evaluate the performance of the Control, risk management and internal control of the Subsidiary and Associate Company. The evaluation plan is based on each company's risk (Risk-based audit planning), and it is done through the audit and evaluation of internal control system, efficiency of performance and financial statement. Moreover, the Board of Directors makes a resolution for the Business Self Audit in order to create a preventive system before any error occurs for the Subsidiary and Associate Company's application. It emphasizes on consideration of whole-process to add value for the organization. The Company and auditors cooperate to evaluate the risk, determine the internal control and warning signs and report them for following up. When the risk is changed, the internal control has to be adjusted accordingly. The evaluation results are presented to the Board of Directors' meeting and used

for further risk monitoring plan. An external auditor presents the results of internal control to the Audit Committee regularly and quarterly.

The most significant aspect in the management between the Company and other investors for Subsidiary and Associate Company's efficient and effective business conduct, both parties have to understand various aspects such as dividing the responsibilities, possessing the controlling authority, sharing of benefits accurately and fairly, etc. Therefore, the Company has made an agreement with the shareholders (Shareholders' Agreement) and the Company respects the investors' rights, treats all of them fairly and cooperates with them for the success of joint venture.

5. Controlling the Use of Inside Information

The Company emphasizes on the use of inside information that has not been disclosed to the public or could affect the Company's stock price for inappropriate personal or the other's benefits. The Insider Trading has been clearly defined in written form in the Company's Code of Conduct and the employee's regulations in written form as a guidelines for related parties that are the Board of Directors, executives and staff in related departments, including their spouse and child who is under legal age according to the Corporate Governance Policy and Good Corporate Governance as stated in 11.1, section 2 - Equal Treatment of Shareholders.

Remuneration of Audit

In the previous accounting year, the Company and its subsidiaries have paid the remuneration in total of 2,590,000 Baht to KPMG Phoomchai Audit Co., Ltd. which is the audit services firm, appointed as the Company's auditor.

The audit services firm and its auditors do not have any relationship or interest in the Company, the Company's subsidiaries executives, major shareholder or their related person.

Remuneration of Audit in 2014

1. Annual Financial Statement Audit Fee	840,000 Baht
2. Audit Fee of Quarter Financial Statement and Consolidated Financial Statement for the Company and its subsidiaries.	305,000 Baht
3. Audit Fee for six companies	1,445,000 Baht
Total Remuneration of Audit Fee for the Company and its subsidiaries.	2,590,000 Baht

Other non-audit fees

The Company and its subsidiaries have paid fee for reviewing the compliance with condition of the BOI promotion certificate in a total amount of 550,000 Baht to the audit services firm the auditors worked for.

Compliance of Good Corporate Governance related to other matters

In addition to the Compliance of The Principle of Good Corporate Governance for Listed Companies 2012 stipulated by 5 sections as mentioned above, the Company has other guidelines related to the Good Corporate Governance as followed;

The Company's Code of Conduct

Founded in 1966, the Company has had a strong intention to conduct its business through honesty and morality, under the ideology; "Standing Firm in Honesty, Adherence to Morality, Dedication to Excellence".

In 2014, after the business structure reformed by consolidating with Siam Cement Public Company Limited as a part of the Chemical Products, Siam Cement Public Company Limited's Four Ideology and Code of Conduct have been recognized by the Company and its subsidiaries and they have been promoted in order to make the employees from all levels follow this Business Philosophy as followed;

"Adherence to Fairness, Dedication of Excellence, Belief in the Value of the Individual, Concern for Social Responsibility"

Moreover, the Company has determined the policy of protection and fairness provision to the employees that report or provide helpful clues about fraud cases, failure to comply with laws or regulations, the Company's Articles of Association, the Code of Conduct, and the Anti-Corruption Policy (Whistleblower Policy). A Committee is formed to determine the policy and give advices related to the Code of Conduct's compliance. Such Committee consists of executives from various departments responsible for following up the performances and giving related advices. A channel is provided for the employees to express their opinions and ask questions related to the Code of Conduct through the Company's website.

In order to urge the awareness of the Code of Conduct, the employees from all levels are educated and encouraged to follow the Company's Code of Conduct. They are cultivated for the good moral traits at the beginning through the Code of Conduct's handbook, in addition to those posted on the website. The handbook is given to all new employees and the principles and guidelines are explained to make them understand and follow strictly. It's an important factor for their performance evaluation annually.

Anti-Corruption Action

The Company aims to conduct its business based on the Good Corporate Governance and adhere to the Four Ideology; "Adherence to Fairness, Dedication to Excellence, Belief in the Value of the Individual, Concern for Social Responsibility" which is the organization's culture that encourages honesty, transparency, accountability, treating all related parties in respect, sincere, friendly and fairly manner. For the Anti-Corruption action in 2013, the Company was given the policy and procedure of Anti-Corruption from its parent company (Siam Cement Public Company Limited) and applied it to accord with its operation. The Board of Directors aimed to stop the corruption in the society, so they reached the conclusion that "Anti-corruption Policy" would be in effect. (The policy can be downloaded from www.thaiplastic.co.th) The points are summarized as followed;

Anti-Corruption Policy

The Directors, the Executives and the employees are prohibited from operating or accepting every type of corruption both in direct or indirect manner covering every business and related departments in every country. The Anti-Corruption Policy is needed to be reviewed regularly, including with a possible revision of such policy and implementation in order to accord with business changes, regulations, standard and laws. The definition of "Corruption" is clearly defined for accurate understanding as followed;

Scope of "Corruption" used in this policy refers to any type of bribery such as an offer, promise, guarantee, inquire or acquisition on money, asset or other inappropriate benefits from the government officers, government sectors, private sectors, or responsible person either in direct or indirect action so that such person could proceed or disregard his/her function in order to acquire, retain the business, recommend specific company to the entity, or achieve or retain any improper benefits in business transaction. Exception shall be applied in case of laws, regulations, statement, standard, custom or business traditions enable to do so.

In accordance with the Anti-Corruption Policy and Self-Evaluation Form related to the Anti-Corruption measures of IOD, the Managing and Audit team give advices to various departments. As the result, they are able to evaluate the risk and its effect in current and future operation of a department or activity with high risk of committing corruption such as the Procurement, Project department, Sales and Marketing, Administration, Human Resources, Accounting, etc., in order to reduce, correct and manage such risks. The Anti-corruption risk profile is created. This includes communicating with the Company's subsidiaries and joint venture companies through "Message from Managing Director" for the implementation.

Anti-Corruption guidelines and responsibilities of the employees from each level according to the Anti-Corruption Policy

- The Board of Directors, the Management Team and the employees from all levels must follow the Anti-Corruption Policy and the company's Code of Conduct. They must avoid involving with any course of corruption in direct or indirect manner.
- The employees shall not be negligent in any corruption conditions involved with the Company. The employees must notify such action to supervisors or responsible person, including collaborating with investigations. Any queries or questions are needed to be consulted by the supervisor or a responsible person who monitors the Company's Code of Conduct compliance through various channels as determined.
- The Company shall provide fairness and safeguard for the employees who denies or informs corruption cases related to the Company by applying Protection Policy for appellant or persons who incorporate with Anti-Corruption information. The employees are able to appeal the matter through the Company's Web Intranet. For a third party, it can be appealed through the Company's website. (www.thaiplastic.co.th)

Moreover, the Company has expressed its intention to promote and expand this idea to its suppliers and collaborated with them to work on the principle and idea of being good citizens, together with governing the business for community, society and environment. This has expended the outcome to the outsiders as well. The Company has encouraged its suppliers to attend "Supply Chain Sustainability Forum" with the subject of "Walking Together" which was held by the parent company in order to educate the suppliers about the Code of Conduct. The suppliers are able to use it as beneficial guideline for business operation and create sustainable society and environment. In 2014, there

were 165 suppliers who signed as acknowledgement. According to the good feedback, the Company is full of confidence to create additional good citizens for the society further.

Communicating, promoting, educating and making sure that all staff understand the Anti-Corruption Policy

Throughout the year 2014, the Company has continuously communicated and promoted the policy to ensure that the Directors, Executives and staff understand the policy through various mechanisms, for example;

- Distributed and conveyed the Code of Conduct and Anti-Corruption Policy's handbooks to all staff to create understanding so that they performed in accord with the handbook and policy
- Held a Work shop for the Management team of the Company for accurate implementation and a Role Model in order to convey to the staff from all levels
- Managing Directors met the staff in order to explain various information including the Anti-Corruption Policy and gave them opportunity to ask questions

Monitoring for Compliance of Code of Conduct and Anti-Corruption Policy

The Company determines that the Directors are responsible for determining policy and governing a system that effectively supports the anti-corruption act. Managing directors are responsible for forming such system, promoting the Anti-Corruption policy and communicating with all employees and related parties for accurate understanding and practices. This includes reviewing systems and regulations in order to best adjust with business changes, regulations, standard and laws regularly. An employee who commits the corruption or violates the Anti-Corruption policy and the Company's Code of Conduct shall be imposed for a disciplinary offence as determined by the Company, and punished according to the laws if such action is against the laws. Moreover, the audit team shall evaluate

the Good Governance, compliance of the Company's Code of Conduct and Anti-Corruption Policy every time there is a termly audit. The results shall be reported to the Board of Directors every time there is a meeting.

Whistleblower Policy

In 2014, the Company has provided another channel to inform the corruption acts aside from sending a letter or email, in case that an employee discovers an action that violates laws, rules and regulations, the Good Governance policy, a corruption, or an action that violates the Company's Code of Conduct. The Company provides protection and mitigation of damages for a person who reports, complains or cooperates with such information. The Company's employee is able to complain through the Company's Web Intranet. The complaint shall be deemed top secret. The complainant does not need to disclose his/her identity. However, if he/she does disclose his/her identity, this would allow the Company to report him/her the outcome of the investigation or additional information. Any false complaint that causes damage to other people shall be deemed disciplinary offence. An outside stakeholder is able to inform such matters through the Company's website (www.thaiplastic.co.th). The complainant is able to follow up the outcome through the system which is a significant tool to control and stop the corruption. The investigating team shall be responsible for the system's security.

In the previous year, none of complaint related to the corruption was informed. In 2015, the Company shall improve and optimize the informing process according to universal standard.

Corporate Social Responsibility

Sustainable Development Policy

The Company upholds the Sustainable Development Policy of Siam Cement Group (Public) Co., Ltd. or SCG, the parent company, as guidelines for the corporate social responsibility. This includes the improvements in manufacturing process designed to reduce the use of natural resources, developments of environmentally

friendly products and services, as well as strong communities. At the same time, this strategy is aimed at enhancing the potential of employees and partners in their contribution to sustainable workflow under the principles of good governance. The Company places great importance in building stronger societies and developing better communities in every place where it operates, both domestically and internationally. For example, the 'Sharing the Dream' program offered scholarships to students who maintain academic and moral excellence in Indonesia and Vietnam. The 'Chung Uoc Mo Xanh' program in Vietnam also raised environmental awareness among children and teenagers by allowing them to express their opinions through activities and excursions on environmental management.

Corporate Social Responsibility during the Year

The Company encouraged communities in its plants' vicinity to engage in various activities joined by the government, plants and communities in improving the quality of life, and to work towards the goal of establishing sustainable cooperation and collaboration. Every year, the Company organizes an Open House to which representatives from the target areas are invited to learn about the green production process, the Company's main policy. Each community is encouraged to provide suggestions and advices for projects or activities dedicated to maintaining and improving the quality of life in the nearby communities. The dialogue and group activities were held for participants to share thoughts and seek cooperation in designing the quality of life plans.

In addition, the Company's executives are encouraged to visit the communities (One Manager One Community: OMOC) to collect direct information, feedback, and suggestions from the locals. All data will be analyzed and designed into activity plans to meet the communities' needs. The engagement of communities throughout the process will be the main focus of each activity.

The Company continues to work with a wide range of communities and organizations in arranging social

activities to develop careers and improve the quality of life for the locals, as well as to ensure an environmentally sustainable place for everyone to live in.

Son Krasip Beach Development Project

Together with Map Ta Phut Municipality, Rayong Provincial Administration, and Ban Nong Fab Community, the Company has arranged the annual activities to develop Son Krasip Beach into another beautiful tourist attraction of Rayong Province. The activities include the planting of trees to create a spectacular landscape, providing utilities and building shops, and the planning of a beautiful layout equipped with security systems.

Community Banana Growing and Processing Project

Inspired by the idea to promote green space and environmental awareness, the Company encouraged

communities to create jobs and generate income from tree planting.

Starting with the Islamic community, the Company has invited communities to participate in its 'Banana Growing' project since 2009. In the project, the locals are encouraged to plant banana shoots for human and animal foods or process them for sales as products in order to reduce costs and create income, while adding green space in the communities.

The successful project has been expanded to 33 communities by the end of 2014, including temples and schools in Map Ta Phut Municipality and Tambon Ban Chang Municipality. Also, the Company has established the Education Center for Community Enterprise Development to provide training in bananas processing, which will help participants to create local quality products such as crisps and jam for sales. The quality and flavor were also enhanced consistently to



Son Krasip Beach
Development Project



Community Banana Growing and
Processing Project

Household Compost and Biogas
Production Project



add value to the products, which have become best sellers across communities.

Household Compost and Biogas Production Project

The Company's regular visitation to communities surrounding its plants has shown that most households planted homegrown vegetables for consumption and income. This, together with the problem of large amounts of organic and food wastes in the community, prompted the Company to promote integrate income generation into its environmental management initiatives. Beginning with the Islamic community, it has started the Household Compost and Biogas Production Project in 2011, converting vegetable and organic waste into compost, and biogas into alternative energy. The Company has joined the "Two-Dime Natural Agriculture" associated network in sharing the knowledge of household production of compost and biogas, as well as sponsoring essential equipments and organizing a field trip to the communities, where it helped them apply the knowledge, enabling them to develop their potential by producing alternative energy. The Company has continued their project with its pilot Islamic community constantly and plans to expand and transfer their knowledge to other communities in the future.

Internal Control, Internal Audit, and Risk Management

1. Internal Control

The Company's vision is to operate business and remain leader in Vinyl business in ASEAN region. The Company invests in business from upstream to downstream to increase value of the business. In order to be the leader in this business, the Company needs supervision system, risk management, and internal control that are effective and efficient according to the international standard both on the operations and IT systems. The Company has the audit committee to recheck the policy on risk management, internal control and internal audit of the Company according to the international standard in the operations as below.

- Supervision Reference: Organization for Economic Co-operation and Development (OECD)/ Stocks Exchange of Thailand/ the Institute of Directors (IOD))
- Risk Management Reference: COSO Enterprise Risk Management/ISO 31000
- Internal Control Reference: COSO Internal Control Framework2013/ COBIT

The Board of Directors, the Audit Committee and the Management required the Company's internal control to follow COSO Internal Control Framework 2013 (The Committee of Sponsoring Organization of Tradeway Commission) with 5 components, 17 principles, and 91 points of focus.

The Audit Office assessed the adequacy of the Company's internal control following the assessment of the Security and Exchange Commission (SEC), reported to the Management, and then proposed to the Audit Committee to consider and approve before reporting to the Company's Board of Directors in the 138th board meeting (1/2015) on January 27, 2015 with 3 independent directors (and/or 3 directors of the Audit Committee) attending the meeting.

The Board of Directors considered every item in the assessment by asking for some information from the Audit Committee, the Management, and Chief Internal Auditor, and then found that the internal control system within the Company is appropriate enough and efficient for the Company's operations as well as the property maintenance and the effective used of resources. There are no major flaws found in the internal control system.

The Company raised awareness on the supervision, risk management, and internal control among the managing section and staff. The Company's directors considered and found that the Company has enough number of employees to follow this system. Moreover, the Company also has internal control system for monitoring the operations of branch companies to prevent the

properties of the Company and branch companies from being misused by the Directors or the Management and from doing business with people who might cause a conflict.

The Management as the director under the Company's committees supported the tool development to be appropriate with risks that always change in order to create a preventive working system in the business operation both in the country and overseas. In 2014, the Management approved the principles or tools for supervising/monitoring to be appropriate with the change of risks as follows.

1.1 Operation Supervision Guidelines

1.1.1 Control Self Assessment for Overseas Business

The Company has expanded the investment to different countries in South East Asia in different forms such as building a new factory, or taking over a business, etc. The risks of such investments vary depending on political, economical, social, legal, and environment conditions of that country. To create awareness and reduce risk, in addition to Overseas Compliance Guideline, in 2014, the managing section has set overseas business guidelines and self assessment tools to be the first line of defense of the risk management and internal control by adjusting them to be appropriate with each country's working procedure, laws, and culture, according to the business' readiness.

1.1.2 Reviewing and producing the manual of operation power. Distributing decision-making power, separating roles, and giving orders as required by job descriptions of employees in each level enable the business to operate more smoothly and systematically.

The Company uses the manual of operation power as reference of the responsibilities of each level of leaders in making decisions while operating in 2014. The Company has overseas business and has produced the manual of operation power for each business. The assessment section has set the guidelines for producing the Company's manual of operation power for the business to be ready and understand how to produce the manual to be in line with the business plans and appropriately applicable. Moreover, a workshop meeting was held to inform the managing section and task performers to understand and follow the standard practices.

1.2 Information Technology Control

Recently, the information technology system has been an important factor in running a business. It helps facilitating the process, gathering information for planning and setting strategies, and making decisions promptly for the fast business expansion and changes. Therefore, the Company needs to use more advanced and complicated computer system and technology. There is also an IT governance team from the main company to monitor the usage of IT system to the maximum benefits with highest security. The Company is conscious of the risk from the fast changing technology, the network security, and the use of information from IT system in managing the Company. The Company uses the service from the main Company's section called Information Security & Compliance set up in 2014 to monitor the security of the communication network and computer system. Moreover, the Company hired some outsource specialists to assess the stability and security of the infrastructure and network system by having IT audit team and the business' IT team to join in learning and

sharing experience for the development and assessment of the security of the Company's IT system further.

1.3 Development of Continuous Monitoring & Continuous Auditing for the Business

The latest development of an Enterprise Resource Planning system (SAP ECC6) will allow, every section in the Company can use the report from the Continuous Monitoring & Auditing system as a tool to analyze, follow up edit any irregular items, and the guideline to prevent such problems faster. This can also increase the efficiency of the internal control system and the business operations.

1.4 Business Self Audit according to Three Lines of Defense

There is the audit committee who supervises the internal control efficiency to raise the awareness in the business to reduce risk occurred from uncertainty. The Company has done this for a period of time already. It is in line with the internal control framework of the new COSO (COSO 2013), which mentions about the roles and responsibilities in the operations as according to "Three Lines of Defense". The audit section raised the awareness on the risk and internal control by holding a workshop for the operators of the business group and support section. Moreover, they also followed up and assessed the adequacy and efficiency of internal control and responses towards risks to support the achievement of the Company's objectives.

1.5 Whistleblower System Development

The Company has developed the whistleblower system which is connected to the parent company for the employees to report on any practices that do not follow the Corporate Governance, etiquette, rules, regulations, laws, and corruption policies as well as cheating. The employees can report through Web TPC Intranet. The reporter can also follow up

the results through the system. This system helps to support the business to operate with good virtues and develop more sustainably. The whistleblower system security is closely monitored by the audit section using double password for the program and a different server separated from other uses in order to maintain the security and prevent the leakage of the information to the people involved.

2. Internal Audit

The auditor committee supervises the operation of the audit section to be independent, fair, and professional following the auditor profession standard, which is internationally accepted from the Institute of Internal Auditors (IIA) and Information Systems Audit and Control Association (ISACA), Global Technology Audit Guide (GTAG). There are charters of the audit committee and audit section which clearly specify the mission, job descriptions, power and responsibility, as well as auditing guidelines and review every year.

The audit committee annually approves business plans by focusing on maintaining and developing the quality of internal audit to be professional according to the international standard, which develops from the assurance service and consulting service to audit independently and fairly and increase value and improve the Company's operations on the following points.

2.1 Auditing Development for High Value Services

In order to support each section in the Company to have the operation guideline which covers, supervision, risk management, and internal control, the audit section has conducted the following things.

- 2.1.1 Creating and following up the operation in risk management and internal control according to Three Lines of Defense. Next year, the Control Self Assessment will be conducted according to the related laws and regulations for the readiness of CSA business. This will

be applied in the Company of each business both in the country and overseas and adjusted properly.

- 2.1.2 Reinforcing and developing the Proactive Preventive Audit policies both domestic and international, especially for the mega projects. The auditor team of each business group cooperates with the business section to consider the important operation procedure with high risk, and then set the mitigation plan and monitoring system/warning signal. Moreover, the operation guideline has been produced to direct the management of the investment projects with high risk such as project searching procedure, etc.
- 2.1.3 Focusing on giving consultation to each section. Every time After auditing or assessing the internal control and finding points to improve, the auditor team will provide knowledge, hold a workshop, and give advice about correct operation procedure and internal control that is appropriate with business characters as well as follow up the operation results after the consultation in order to prevent the same problems from reoccurring.

2.2 Assessment of Auditor Operation

The auditors give the opportunity to the section receiving the audit to do a satisfaction assessment in order to assess whether the audit is clarified and effective according to the business policy and plans by setting the Key Performance Indicators (KPIs to be not lower than 85% for each auditing project). The total score of 2014 is 95%. This assessment is presented to the audit committee every year and is used as the information for improving the audit section performance later on.

2.3 Overseas Internal Audit Teams

Recently, there have been investments in overseas following the Company's vision. In order to make the operations effective and in compliant with the Company's policies, the audit section has adjusted the format of overseas audit management to be suitable to business operation in each country as below.

- 2.3.1 Setting up Country Internal Auditor to assess the effectiveness and efficiency of the supervision, risk management, and internal control. This is under the supervision of the audit section in Thailand in terms of both policies and guidelines.
- 2.3.2 The Company Internal Auditor in Vietnam and Indonesia have been advised on job appointment and audit skill development by foreign audit team of the audit department in order to develop quality of the audit works to reach international standards.

2.4 Improving and Assessing the Efficiency and Adequacy of The Internal Control to be in Line with the International Standard

The audit section has improved the form and method of internal control assessment of the Company to be in compliant with COSO 2013 which covers 17 principles, 91 points of focus under 5 components. The audit section has also considered about "present" and "functioning" to achieve the objectives in 3 aspects which are operating, reporting, and following rules and regulations. This assessment is also in compliant with that of the adequacy of the internal control system of the Security and Exchange Commissions (SEC).

2.5 Producing Audit Guideline

The audit section regularly produces and improves the audit operation manual to be suitable to the conditions of business operation

and daily operation procedures for the auditors to use as a guidelines in performing the auditing task and assess the risks including major risks in each operation process such as sell on cash control audit, lapping audit, sales making audit, and revenue recognition sooner than usual to increase the effectiveness, improve weaknesses, reduce risks, and prevent possible cheating. Also, the anti-corruption audit guideline is revised regularly to be up to date.

2.6 Information Technology System Audit

The Company has expanded the investment both in the country and overseas and changed the working system to be specifically suitable to the characteristics of each business group. Therefore, the Company needs to use new IT system to support business operations by using the service from the parent company that has developed important IT systems. There is also a representative from the audit section as an advisor to give suggestions on appropriate control and test the control system. After installing the system, there will be an IT audit to recheck. In 2014, the IT system audit management was adjusted to increase the effectiveness of the security audit of the IT system with some risks of each business group.

2.7 Auditor Development

To develop the auditor and team's professionalism and business knowledge, the audit section has continuously focused on holding training and seminars to develop new knowledge both on professionalism and business as detailed below.

2.7.1 Internal Audit Competency Review

In 2014, the audit section reviewed internal audit competency to be in compliant with the international standard of professional operation and

the Company's operation standard. The auditors and their managers cooperated in assessing and setting Individual Development Plan (IDP). The audit section gathered the plans and held training and seminar on audit profession and other professions related to the Company's business operation for internal auditors.

2.7.2 Internal Audit Global Knowledge Development

- Keeping updated with good practices on supervision, risk management, and internal control of some leading institutes both inside and outside the country to develop and apply in auditing task to be more in compliant with the Company's business operation
- Supporting the continual development and training both inside and outside the Company to gain more knowledge, ability, and mastery in the internal auditing profession and to develop other skills needed for the company
- Encouraging and supporting internal auditors to develop themselves by taking an exam to get the auditor profession certificate or other professions related to auditing. In 2014, the audit section achieved the target to encourage internal auditors to get the profession certificate (55% of all auditors). This was more than KPIs which had been set at 40% of all auditors.

2.7.3 Business Knowledge Development

- Developing business acumen for internal auditors by inviting representatives from each business

and other people outside the Company to provide knowledge on business and some important changes of the business so that auditors can assess risk and give practical advice.

- Having a policy to recruit personnel with knowledge and expertise in operation by transferring staff with knowledge and ability from other sections and sending staff to other sections in order to develop knowledge
- Regularly arranging knowledge exchanges on interesting issues or substantial findings of the internal audit department.

2.7.4 IT Knowledge

- Applying IT knowledge in the scope of auditor tasks including data analyzing tools development audit and following up the warning signal/red flag faster. These can reduce damage occurred from operation errors and corruption.
- Supporting the development of auditors' potential to be able to audit and give advice on the supervision of the international standard IT audit, for example, supporting auditors to get auditor profession certificate, controlling and warranting IT security (The Certified Information Systems Auditor: CISA).
- Developing auditors' skills on network system security check by sharing knowledge and experiences from the specialist.

2.7.5 Integrated Audit Development

The audit section continually supports Integrated Audit by setting an audit team consisting of business auditors and IT system auditors to work together and give suggestions to improve the working process and follow up on warning signals. The IT system is used to increase the audit effectiveness. Moreover, in 2014, IT auditors were classified according to the business group in order to develop mastery in the working system of each business group.

3. Risk Management

Risk management is an important process which supports the Company in achieving the objectives and targets. It also helps in searching new opportunities for operating business which can create added values for the organization, shareholders, and other people involved. This will lead to sustainable growth.

Risk Management Framework

To be able to respond to the conditions of operating business which change very fast and to be in compliant with risk management strategies of the parent company who revised the Enterprise Risk Management Framework to be up to date and more in compliant with the international standard. This will lead to the increment of added value chain and the risk culture among the organization, as well as clearer objectives and risk appetite to perform risk management in the same direction.

The Company's Board of Directors

Board of the Company will set the policy in supervising the risk management to be effective and efficient. There is audit committee to audit the Company's risk management according to the audit commission regulation in order to assess the effectiveness and efficiency of risk management of an independent managing section. Risk warning signal or Red Flags was set to follow up whether the Company has risk

higher than the acceptable level, and to communicate and control the Company to introduce measures to solve the problems appropriately and timely.

Risk Management Team

The risk management team is responsible for the risk management process starting from setting objectives in business operation, assessing risk, setting strategies, planning risk management, and monitoring risk management to be in the acceptable level. Essentially, this team must include risk management as part of work until it becomes risk awareness culture by having a monthly meeting on risk management with the Company's risk management team. The risk management team also has a duty to report risk management results to the audit committee in every quarter with the audit section rechecking the assessment of the risk management effectiveness.

Risk Management Process

In 2014, the Company revised risk management framework to be in compliant with the parent company's risk management which had developed risk universe to cover every kind of risks that may affect the operations. These kinds of risks were classified into 8 types to make it easier to understand and apply. (1) The risk on health and environment safety (2) The risk on following rules and regulations (3) The risk on reputation and intellectual property (4) The risk of a serious incident (5) The risk on production cost (6) The risk from operating tasks (7) The financial risk (8) The risk from business conditions. Moreover, the Company has applied these 8 types of risk universe in the investment project risk management and the strategic risk management to make/revise the medium-term plan and annual plan to be appropriate and updated with the changing of the risks.

Risk Assessment Method

The Company has conducted risk assessment with the same standard throughout the organization (Common Risk Metrics). The Risk Owner will use different tools such as statistics tools like scenario analysis, correlation analysis, benchmarking in assessing the

risk likelihood, severity, and the manageability, then compare the assessment result with Risk Limit which will be similar to Risk Appetite.

Planning and Following Up on Risk Management

Risk management team holds a meeting in every quarter to follow up on the progress of risk management. Risk Owner and team are to set plans and manage the possible risks. And if the residual risk is higher than risk limit, Risk Owner has to introduce measures to handle/solve and report to the management team until the risk is in the acceptable level.

Supervision of Reports on Related Parties Transactions

The Company strictly complies with the rules of the Stock Exchange of Thailand and the Securities and Exchange Commission on conflict management in the interests of all parties. The connected transaction is disclosed clearly in the Company's Annual Report including other related documents.

Aside from the transactions between the Company and its subsidiaries and procure of products or services considered as the Company's ordinary course of business, in 2014, the Company invested in the petrochemical production and selling company in Vietnam namely Long Son Petrochemicals Co., Ltd. for 17 million USD, equal to 562 million Baht. The transaction does not meet the requirements to report the joint venture to the Stock Exchange of Thailand.

Awards and Standards of Accreditation

1991

- **Award for Outstanding Factories in Map Ta Phut Industrial Estate** from the Industrial Estate Authority of Thailand

1995

- **ISO 9001 Certification for Quality Management Systems** for Samut Prakarn plant*

(In 1994, this was an accreditation for DIN ISO 9002 Quality Management Systems. TPC was the first petrochemical company in Thailand to receive this certification)*

1997

- **ISO 9001 Certification for Quality Management Systems** for Rayong plant (renewed every three years thereafter under the ISO 9001 system up till the present)

1999

- **TISI – ISO 14001 Certification for Environmental Management Systems** for Rayong plant (renewed every three years thereafter up till the present)

2000

- **The World's 300 Best Small Companies** from Forbes Global magazine

2001

- **The Best Employers in Asia 2001** from Hewitt Associates, together with The Asian Wall Street Journal and Far Eastern Economic Review
- **TISI 18001 Certification for Occupational Health and Safety Management Systems** for Rayong plant (renewed every three years thereafter up till the present)

2003

- **ISO 9001 Certification for Quality Management Systems** for Samut Prakarn plant (for Samut Prakarn plant)

2005

- **Asia's 200 Best Under A Billion Companies** from Forbes Asia magazine
- **The Best Company of the Year 2005** from Finance and Banking magazine

2006

- **TISI – ISO/IEC 17025 Certification of Laboratory Accreditation**

2007

- **Outstanding Award for Safety, Occupational Health, and Working Environment at the National Level** from the Ministry of Labour (renewed every year thereafter up till the present)

2008

- **Award for Total Productive Maintenance (TPM) Excellence, Category A for year 2008 for Rayong Plant** from the Japan Institute of Plant Maintenance (JIPM), the Company is the first PVC manufacturer in ASEAN to receive this award
- **Award for Standard of Corporate Social Responsibility** from the Ministry of Industry
- **Award for Good Governance in Environmental Management** from the Industrial Estate Authority of Thailand (and have been receiving every year up until the present)

2009

- **Certificate of Good Corporate Governance in Sustainable Support and Responsibility for the Community** from the Royal 80th Anniversary Centre for Community Enterprise Development Studies, Municipal Region of Map Ta Phut and Township of Ban Chang, Rayong

2010

- **Award for National Innovation – Economic Sector, 3rd title, 2010 for “Safety Power Cable from Plastic Compound”** from the National Innovation Agency (Public Organization)
- **Award for Excellence in Consistent Total Productive Maintenance (TPM) Commitment, year 2010** for Rayong plant from Japan Institute of Plant Maintenance (JIPM), Japan

2011

- **CSR – DIW Continuous Award** from the Ministry of Industry
- **ISO 14001 Certification for Environmental Management Systems and OSHA 18001 Certification for Occupational Health and Safety Management Systems** for Samut Prakarn plant from Management System Certification Institute (Thailand)
- **Award of Carbon Reduction Label** from the Thai Environment Institute
- **Base Brain of Research Award, Chemical and Pharmaceutical Science category and Award of Best Inventor** “Wood substitute materials from PVC foam and wood plastic composite” from Office of National Research Council of Thailand (NRCT)
- **Award for Total Productive Maintenance (TPM) Excellence, Category A year 2011** for Samut Prakarn plant from Japan Institute of Plant Maintenance (JIPM), Japan

2012

- **Certification for Green Industry: Green System ISO 140001** for Rayong plant from the Ministry of Industry
- **Award for Outstanding Invention in Chemical and Pharmaceutical Science** on “Plastic Compound XLPE for Power Cable and associated artifacts” from the National Research Council
- **Certification for Energy Management Systems (ISO 50001:2011)** for Rayong plant from Management System Certification Institute (Thailand) MASCI (and have been evaluated every year up until the present)

2013

Thai Plastic and Chemicals Public Company Limited

- **Special Award for Total Productive Maintenance (TPM) Achievement** of 2013 for Rayong plant from Japan Institute of Plant Maintenance (JIPM), Japan
- **The Best Company of the Year** in the category of industrial products from Finance and Banking magazine
- **OHSAS 18001:2007 Certification for Security Management System** for Rayong plant from TUV Nord

Nawaplastic Industries (Saraburi) Co., Ltd. and Nawaplastic Industries Co., Ltd.

- **Top Performance Award 2013** from the Technology Promotion Association (Thailand-Japan)
- **Zero Accident Award** from the Ministry of Labour
- **Outstanding Award for Safety, Occupational Health and Environment** from the Ministry of Labour
- **ISO 50001 Certification for Energy Management Standard** from SGS (and have been evaluated every year up until the present)

2014

Thai Plastic and Chemicals Public Company Limited

- **Award for Company without downtime-causing accident** from the Ministry of Labour

Nawaplastic Industries (Saraburi) Co., Ltd. and Nawaplastic Industries Co., Ltd.

- **QCC Promoter for Top Management** in category of **Diamond Award and Silver Award** from the Technology Promotion Association (Thailand-Japan)
- **Gold Award for Zero Accident (12 million hours)** and **Outstanding Award for Safety, Occupational Health and Environment** from the Ministry of Labour
- **Green Industry level 4 and Corporate Social Responsibility - Department of Industrial Works for sustainable harmony between factories and communities (CSR DIW)** from the Ministry of Industry

Summary of Important Data

General Information

Name of Company	Thai Plastic and Chemicals Public Company Limited
Abbreviated Name	TPC
Establishment	December 2, 1966
Commercial Operation	May 1, 1971
Registration in SET	April 27, 1984
Company's Registration Number	0107537001242
Type of Business	Manufacturer and distributor of PVC resin and related products
Registered Capital	875,000,000 Baht, fully paid-up, consisting of 875,000,000 shares at 1 Baht per share
Location of Head Office	1 Siam Cement Road Bangsue, Bangkok 10800 Telephone: +66 2827 7272 Fax: +66 2827 7273 Website: http://www.thaiplastic.co.th
Products and Production Capacity	PVC resin 886,000 tons per year PVC compound 80,000 tons per year Caustic Soda (50%) 52,000 tons per year PVC pipe and fittings 174,000 tons per year PVC profile 27,000 tons per year
Share Registrar	Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building, Floor 1, Rachadapisek Road, Klong Toey, Klong Toey, Bangkok 10110 Telephone: +66 2229 2800 Fax: +66 2654 5642
Auditor	Ms. Sureerat Tongarunsaeng Certified Public Accountant, Registration No. 4409 KPMG Phoomchai Audit Limited 195 Empire Tower, Floors 50-51, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Telephone: +66 2677 2000 Fax: +66 2677 2222
Legal Counsel	SCG Legal Counsel Limited 1 Siam Cement Road, Bangsue, Bangkok 10800 Telephone: +66 2586 5777, 5888 Fax: +66 2586 2976
Contact for Corporate Data	Corporate Secretary Office Telephone: +66 2586 1393 Fax: +66 2586 3007 E-mail: contact_tpc@scg.co.th

"Investors can learn more about the Company from the annual statement (Form 56-1) as shown at www.sec.or.th, or at the Company's website, www.thaiplastic.co.th."

General Information Concerning Recipients of Corporate Investment

Subsidiaries

As of December 31, 2014, there were 10 subsidiaries in which the Company held, directly or indirectly, at least 50% of all shares issued by that company. They may be classified by type of business as follows:

PVC BUSINESS	RELATED TO PVC BUSINESS	OTHER BUSINESS
1. TPC Paste Resin Co., Ltd. Type of Business Manufacturer and distributor of PVC paste resin Head Office Location Bangkok, Thailand Telephone +66 2827 7272 Fax +66 2827 7273 Registered Capital 333,000,000 Baht Type of Shares Common shares Percentage of Shares Held 100%	4. Nawaplastic Industry (Saraburi) Co., Ltd. Type of Business Manufacturer and distributor of PVC pipe and fittings Head Office Location Bangkok, Thailand Telephone +66 2555 0888 Fax +66 2586 2929 Registered Capital 400,000,000 Baht Type of Shares Common shares Percentage of Shares Held 100%	8. Total Plant Service Co., Ltd. Type of Business Investment Head Office Location Bangkok, Thailand Telephone +66 3868 3900 Fax +66 3868 7345 Registered Capital 1,180,000,000 Baht Type of Shares Common shares Percentage of Shares Held 100%
2. TPC Vina Plastic and Chemical Corp. Ltd. Type of Business Manufacturer and distributor of PVC resin Head Office Location Ho Chi Minh City, Vietnam Telephone +84 8 3823 4730 Fax +84 8 3823 4725 Registered Capital 35,000,000 USD Percentage of Shares Held 70%	5. Nawaplastic Industry Co., Ltd. Type of Business Manufacturer and distributor of PVC finished products Head Office Location Bangkok, Thailand Telephone +66 2555 0852 Fax +66 2586 2929 Registered Capital 426,000,000 Baht Type of Shares Common shares Percentage of Shares Held 100%	9. Nawa Intertech Co., Ltd. Type of Business Manufacturer and distributor of molds Head Office Location Rayong, Thailand Telephone +66 3889 2190 Fax +66 3889 2200 Registered Capital 40,000,000 Baht Type of Shares Common shares Percentage of Shares Held 100%
3. Viet-Thai Plastchem Co., Ltd. Type of Business Manufacturer and distributor of PVC compound Head Office Location Binh Duong, Vietnam Telephone +84 650 710 993 Fax +84 650 740 065 Registered Capital 3,500,000 USD Percentage of Shares Held 72.49%	6. Minh Thai House Component Co., Ltd. Type of Business Distributor of PVC finished products Head Office Location Ho Chi Minh City, Vietnam Telephone +84 8 3868 5239-40 Fax +84 8 3868 5241 Registered Capital 1,000,000 USD Percentage of Shares Held 80%	10. Chemtech Co., Ltd. Type of Business Manufacturer and distributor of XLPE compound Head Office Location Binh Duong, Vietnam Telephone +84 650 784 992 Fax +84 650 784 993 Registered Capital 2,807,000 USD Percentage of Shares Held 100%
	7. Siam Stabilizers and Chemicals Co., Ltd. Type of Business Manufacturer and distributor of PVC stabilizers Head Office Location Bangkok, Thailand Telephone 02-827-7319-26 Fax 02-827-7316 Registered Capital 190,000,000 Baht Type of Shares Common shares Percentage of Shares Held 60%	

Associated Companies

As of December 31, 2014, there were 9 associated companies in which the Company held, directly or indirectly, at least 20% but less than 50% of all shares issued by that company. They may be classified by type of business as follows:

PVC BUSINESS

1. PT. TPC Indo Plastic and Chemicals

Type of Business	Manufacturer and distributor of PVC resin
Head Office Location	Gresik, Indonesia
Telephone	+62 31 395 2945-48
Fax	+62 31 395 2944, 49
Registered Capital	34,500,000 USD
Percentage of Shares Held	40%

2. Riken (Thailand) Co., Ltd.

Type of Business	Manufacturer and Distributor of PVC compound
Head Office Location	Patum Thani, Thailand
Telephone	+66 2501 1054
Fax	+66 2501 1198-9
Registered Capital	120,000,000 Baht
Type of Shares	Common shares
Percentage of Shares Held	35%

3. Siam TPC Co., Ltd.

Type of Business	Investment
Head Office Location	Bangkok, Thailand
Telephone	+66 2586 4184
Registered Capital	1,196,000,000 Baht
Type of Shares	Common shares
Percentage of Shares Held	40%

4. SIAM TPC (SINGAPORE) PTE LTD

Type of Business	Investment
Head Office Location	Singapore
Registered Capital	17,435,825 SGD 21,750,000 USD
Type of Shares	Common shares
Percentage of Shares Held	40%

5. SCG Plastics (China) Co., Ltd.

Type of Business	Trading agent
Head Office Location	Guangzhou, China
Telephone	+86 20 8130 0367
Fax	+86 20 8130 0070
Registered Capital	100,000 USD
Percentage of Shares Held	20%

PVC RELATED BUSINESS

6. Nawacam Co., Ltd.

Type of Business	Manufacturer and distributor of PVC pipe and fittings
Head Office Location	Phnom Penh, Cambodia
Telephone	+85 5 2388 2072
Fax	+85 5 2388 5172
Registered Capital	200,000 USD
Percentage of Shares Held	40%

7. Interplastic Co., Ltd.

Type of Business	Manufacturer and distributor of PVC pipe and fittings
Head Office Location	Sawannaket, Laos
Telephone	+85 620 554 1500
Registered Capital	9,000,000 Baht
Percentage of Shares Held	25%

8. Tien Phong Plastic Joint Stock Company

Type of Business	Manufacturer and distributor of PVC pipe and fittings
Head Office Location	Hai Phong, Vietnam
Telephone	+84 31 3640758, 3640973, 3847022, 3640844
Fax	+84 31 3847755, 3640133
Percentage of Shares Held	23.84%

9. Binh Minh Plastics Joint Stock Company

Type of Business	Manufacturer and distributor of PVC pipe and fittings
Head Office Location	Ho Chi Minh City, Vietnam
Telephone	+84 8 3969 0973
Fax	+84 8 3960 6814
Percentage of Shares Held	20.40%

Summarizing Data as per Form 56-2 (Annual Report)

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